

“The long and winding road of  
partnership”

The role of trust building between six non-  
profit organizations in Upper Savo

Sami Niskala

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<p>Tämän opinnäytetyön päämäärä on tutkia ja analysoida luottamuksen rakentamisen roolia rakennettaessa kumppanuutta voittoa tavoittelemattomien sosiaalisten organisaatioiden välille Ylä-Savossa. Tämä tutkimus keskittyy pääasiallisesti kuuteen merkittävimpään sosiaaliseen organisaatioon alueella. Tämä työ tutkii, miten luottamuksen rakentaminen voisi tarjota paremman fundamentaalisen pohjan onnistuneelle kumppanuudelle kyseessä olevien kuuden organisaation välillä.</p> <p>Aikaisemmat tutkimukset, EU-hankkeet, Ylä-Savon työllisyys-ohjelmat 2002–2006 ja 2005–2010 ovat osoittaneet kehittämisen tarvetta palveluissa, toimitiloissa, yhteistyössä, kumppanuudessa ja työntekijöiden ohjauksessa kaikissa kyseessä olevissa kuudessa organisaatiossa. Aikaisemmat tutkimukset ovat myös osoittaneet, että kaikki organisaatiot yhtä lukuun ottamatta ovat ilmaisseet halukkuuden rakentaa kumppanuutta ja yhteistyötä sosiaalisten organisaatioiden välille Ylä-Savossa. Tässä tutkimuksessa on käytetty laadullista tutkimusmenetelmää. Tietojen keruu on toteutettu käyttäen osittain strukturoituja haastatteluja, ammattikirjallisuutta, olennaista tutkimus- ja muita materiaaleja.</p> <p>Tutkimustulokset osoittavat, että luottamuksen rakentamisella ja luottamuksella yleensä on valtava rooli luotaessa kumppanuutta sosiaalisten organisaatioiden välille Ylä-Savon alueella. Se motivoisi työntekijöitä tekemään yhteistyötä ja poistaisi ennakkoluuloja organisaatioiden väliltä. Tämä on välttämätöntä, jotta saadaan luotua kestävä, aito ja menestyksekkäs kumppanuus. Tulosten perusteella, lisätutkimus voisi tutkia niitä konkreettisia tuloksia, joita on saatu aikaan rakentamalla luottamusta sekä mikä on ollut luottamuksen rooli luotaessa yhteistyötä.</p>	
Asiasanat: luottamuksen rakentaminen, muutoshallinta, työpaja, voittoa tavoittelematon sosiaalinen organisaatio	

## ABSTRACT

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<p>The objective of this Master Thesis is to research and analyze the possibility of trust building as a solution for a successful partnership between non-profit social organizations in the Upper Savo region. This research will particularly focus on the six main social organizations in the area. This work studies how trust building could provide a better fundamental basis for successful partnership between the six organizations.</p> <p>Prior research, EU projects, the Upper Savo employment programs 2002-2006 and 2005-2010 have revealed development need at the level of services, facilities, collaboration, partnership and steering of employees in all of the six existing organizations. Previous research has also suggested that all the organizations except for one have indicated green light for partnership and collaboration activities between these organizations. A qualitative research method is used in this thesis. Data collection was carried out by using semi-structured interviews, professional literature, relevant research and other related materials.</p> <p>The results of this research suggest that trust building and trust overall has a significant role when establishing a partnership between social organizations in the Upper Savo region. It would motivate employees for cooperation and diminish prejudice among the organizations. Diminishing prejudices is essential, in order to create a long-lasting, genuine and successful partnership. According to the findings, further study could include the concrete results concerning what has been accomplished through trust building and what has been the role of trust when establishing cooperation.</p>	
Keywords: trust building, change management, workshop, non-profit social organization	

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## 1 INTRODUCTION

This chapter is dedicated to introduce the background of this thesis work. The objective of this Master Thesis is to research different ways to build trust among social organizations in the Upper Savo to protect the diversity and quality of services. Here are the organizations that are participating in this research are as follows: Teka-tuote - working center in the Kiuruvesi municipality, Luotsi - juvenile workshop in the Kiuruvesi municipality, Salmituote – working center in the town of Iisalmi, Iisalmen Nuorison Tuki Ry - workshop in the town of Iisalmi, Sonkajärvi Youth Aid Ry - workshop in the Sonkajärvi municipality and Monitaitoset Ry – workshop in the Pielavesi municipality. According to my knowledge, this type of research has not been executed before in the Upper Savo region.

The Upper Savo region consists of seven different counties i.e. Iisalmi, Kiuruvesi, Pielavesi, Vieremä, Keitele, Lapinlahti and Sonkajärvi) and approximately 58 000 people. The Upper Savo altogether is wide area, which means that the distance between most remote counties is up to 150 kilometers.

This research is limited to Etappi project and Employment and Economic Development Office's area of operation which contains all the other counties except for Lapinlahti. Approximately 48 000 people live in the remaining six counties (Regional Council of Pohjois-Savo 2009).

### 1.1 Motivation and Background

My motivation for this research started from the suggestion of my former project manager in Etappi EU project and personal interest towards the topic. Etappi is a development project with the aim of diminishing unemployment, which is being funded by these six participating counties mentioned above and European Social Refund (ESR). Etappi - project officially started in autumn 2008 and will last till end of 2012. One of the key objectives of Etappi project is to establish cooperation and generate joint services between the non-profit organizations, which would continue after the project is terminated.



Social organizations are a part of people's everyday lives. Without non-profit social organizations there would be fewer places for people to share experiences, learn new things, socialize or get support to their daily tasks. For some people, volunteer work is a matter of pride and usefulness; it provides people a chance to get out of the house and be part of the community (Fedorowsky 2010). Non-profit social organizations carry out multidimensional services and provide support for their customers without reaching for profit. Non-profit social organizations are excellent examples of Corporate Social Responsibility (CSR). During the recent years many international companies have brought up in conferences and public conversations the importance of CSR (Moilanen & Haapanen 2006, 2).

Trust building as a tool towards successful partnership and collaboration between non-profit social organizations is a new phenomenon in Finland and around the world (Osborne & Murray 2000). During the past decade there have been several ESR funded projects, employment programs and other joint alignments in the Upper Savo to show how social organizations could work and provide services together for their customers. At this moment, times are different and pressure is higher towards social organizations. Age structure and inhabitants migration towards bigger cities and centers have influenced strongly small regions throughout Finland including the Upper Savo. This change needs to be acknowledged also in the field of non-profit social organizations, their range of services and future funding. Local counties and communities are expecting social organizations to be the solution for the problems caused by structural change. Trust building and partnership between social organizations could be the solution to ensure the continuity of first-rate services and functional facilities.

Trust is a versatile word and it has been given several different meanings in various situations. One of the leading writers in this topic Diego Gambetta (2000, 218) defines trust as a *“particular level of the subjective probability with which an agent assesses that another agent or group of agents will perform a particular action, both before he can monitor such action and in a context in which it affects his own action”*. Covey and Link are able to crystallize it in a down-to-earth and sensible way: *“Trust is both character (who you are) and competence (your strengths and the results you produce). Trust is the enabling power of leadership influence. It is not soft, slow, risky, or easy. It is a measurable, definable component of all leadership success. It can be both taught and learned”*. In this thesis is researched the role of trust building between social

organizations when establishing partnership. In that content the character and competence of managers becomes essential in order to achieve successful and long-lasting partnership.

Despite some previous research (Komulainen 2009), knowledge available (University of Eastern Finland, Aducate - Centre for Training and Development 2010-2011), related ESR projects conducted in the region (Verka 2010-2011, Tventti 2004-2007, Takomo 2001-2003, Trio 2001-2003, Trio II 2004-2006, OTS 2008-2010 & Reiska 2009-2012), data and other collected information that has been provided for these organizations have not created anything significant from the partnership point of view. Behind these failed attempts of collaboration and partnership are hidden the true reasons of missing partnership. Therefore, there is a true demand for this research.

## 1.2 Research Objectives, Topic and Questions

The main objective of the Thesis is to explore the possibilities of trust building as a solution for sustainable and active partnership between six main social organizations in the Upper Savo. This thesis will also explore the objectives of cooperation in each of these six organizations.

Without trust it is impossible to build anything continual. Previous research data, trainings and ESR projects show that there appear trust issues between social organizations in the Upper Savo region. Difference between this research and the previous is that trust issues have never been questioned before and focus has always been on collaboration. In order to achieve successful cooperation the role of trust building and trust overall needs to be researched. This research will also reveal the motives behind trust.

All the indicators have shown that in the future social organizations are facing huge financial problems in the Upper Savo. This is caused by rapidly and constantly changing markets in the line of business. (Komulainen 2009; Saarivainio 2004; Rytönen 20 September 2012, interview; Luomi & Rautalampi 2008, access date 11.11.2012.) Local authorities are struggling already with budget deficit and loss of movement, which makes them increasingly unwilling to support local social organizations.

All these questions above need to be fully researched and analyzed to establish any kind of partnership or network of collaboration between the organizations. At the moment there exists some collaboration between a few of the organizations, which would last after the development project Etappi is terminated. Systematic and well organized partnerships between non-profit social organizations hardly exist and therefore it is a new phenomenon for everybody in Finland and around the world.

When these organizations open up and discuss openly about future and the constantly changing environment they would be able adapt new ideas and possibilities around each other. Results of this kind of research project are interesting for people around Finland and the world, because it is not independent of the region researched and also they all wrestle with these same problems (Osborne & Murray 2000, 16).

The title of this research visualizes the true need for finding concrete answers of lacking partnership between social organizations in the Upper Savo. It also demonstrates the consistent and undiscouraged will power of the local government throughout the years to build something permanent between non-profit social organizations in the Upper Savo. The origin of the topic will be explained in section 1.3 research problems and gap.

The main questions to be studied in this thesis are as follows:

1. What is successful co-operation?

The first research question relates to the concept and understanding of successful co-operation in the organizations that are involved in this research. It is relevant to study and explain how each one of the organizations understands the meaning of co-operation. According to the previous research they all have similar services and equally challenging customers but at the same time different ways to operate (Komulainen 2009, 4).

2. How can trust be built between non-profit organizations?

The second research question concentrates on discovering what kind of concrete actions could be taken to build trust. It also indicates how trust is understood among management and other employees in each organization. Mutual understanding of trust disperses prejudices, misunderstandings and false beliefs. Even if social organizations have perfectly good motives for co-operation they still need to know each other's motives to be able to trust each other. Before any kind of co-operation it is necessary to trust others and believe that one is also trusted by others (Gambetta 2000, 216).

3. What would be the benefits and threats of partnership between social organizations for paying customers and for the end customers?

The third research question considers the benefits and threats of partnership from the customers, e.g. counties, Employment and Economic Development Office, The Social Insurance Institution of Finland and end customers, e.g. unemployed, school dropouts, civil servers' and community servers' point of view. This question forces the organizations to think their services outside the box and from the customer's point of view.

### 1.3 Research Problem and Gap

Collaboration is a multi-phase process where each one of the phases needs to be negotiated as well as possible to achieve long-lasting collaboration. Unsuccessful result in any stage will not only end this specific collaboration, but also jeopardize the success of future collaboration. (Osborne & Murray 2000, 10.) At the moment, all six non-profit social organizations in the Upper Savo region are experiencing pressure from their external funders to demonstrate effectiveness and distinctive services. Furthermore, pressure is set upon social organizations by the local authorities. For specific contributions the counties expect certain services to be carried out by the local social organization. When these expected services are being carried out through a network, partnership or other kind of collaboration it generates perplexity among local government officials. Funders, i.e. local governments, did not have full knowledge concerning where exactly their contributions are being directed. Social organizations are facing the choice between the two main forces; rather steady and easy stream of funding or the most appropriate solution in the eyes of this individual end customer.

All the six non-profit social organizations have worked with each other through different projects, at the moment the Etappi - project. Majority of the management knows each other in a meeting level from years behind which has provided the basic basis for trust. Research gap of the willingness towards partnership has been filled with the assistance of these previous reports by Komulainen (2009) and Saarivainio (2004). There have also been other less official inquiries, surveys and studies in the course of years by the researcher of this thesis among others.

#### 1.4 Definitions

The concepts used in this thesis are attained from Employment and Economic Development Office and Ministry of Social Affairs and Health. The use and meaning of these concepts vary to a wide extent geographically between social organizations in Finland. This means that the same concept can have several meanings around Finland because the social field has changed constantly and the terminology has not been able to keep up with this pace.

##### Non-profit social organization

Non-profit social organization is an incorporated organization which provides educational, practical training and guidance for all kinds of people, and from which its shareholders and/or trustees do not benefit financially. Any money earned must be retained by the organization and used for its own expenses, operations and programs (Luckert 2009).

##### European Social Fund – ESF

ESF is the European Union's main financial instrument for supporting employment in the member states as well as promoting economic and social cohesion on less-developed regions in the EU. ESF is one of the EU Structural Funds (European Social Fund - ESR).

##### Workshop and Work Center

Workshop and work centers are units which gives the participants a chance to improve their quality of life. They are meant especially for people who are excluded or in danger to become excluded from the society. Workshops and work centers are practical training premises where participants work under supervision, individually and/or in groups to solve actual work related tasks to gain hands-on experience. (Työpajatieto - Workshop Knowledge 2012).

### 1.5 Limitations

The most noticeable limitation in this research was the effect on interviews by the established foundation between three non-profit social organizations in the Upper Savo; Salmituote - Working Center, Iisalmi Youth Aid Ry - Workshop and Teka-tuote - Working Center. The foundation is not yet finalized. Restructuring and relocation of services is taking place at the moment and full operation is supposed to start on 1.1.2013. The researcher believes that the foundation will have permanent impact on future collaboration/partnership between other social organizations in the Upper Savo. At this stage impacts are impossible to foresee or evaluate before the operations have fully started.

Another limitation to the research is that the primary information for the possible collaboration and partnership between non-profit social organizations in the Upper Savo is mainly based on the researcher personal experiences which are gained by working with them in Etappi - project. This means that much of the information may have been pre-meditated which is not allowing full impartiality and prejudice.

### 1.6 Structure of the Study

This research study comprises this introductory chapter and subsequent chapters covering the participating organizations, the theoretical framework, the methodology, the analysis and discussions, and finally the conclusions with suggestions for future research.

Chapter 2 “Case organizations” introduces briefly the six non-profit social organizations which participated in this research. It also highlights their main operations and target groups.

Chapter 3 “Theoretical framework” begins with a description of the theoretical background of trust literature related to the perspective of trust building as tool towards successful partnership. The chapter is divided into five different sub chapters which will go deeper into the contents of trust, distrust, trust building and the role of trust in partnership. The chapter provides for the readers a complete illustrative view of trust between social organizations, with various dimensions.

Chapter 4 “Methodology” describes the methodological choices of the research, data collection and data analysis methods and discusses the sampling criteria. The chapter presents the research methods and reasons behind of these choices of methods. It also introduces the general structure of the interviews. The data collection sub chapter is divided into primary and secondary data, which both are presented in the chapter.

Chapter 5 “Analysis and discussion” provides analysis of the results, a short summary of the research, discussions and main findings. The chapter draws a connection between key findings and literature. It also provides answers to the research questions as well as the main research objectives.

Chapter 6 “Conclusions” gives a wider perspective of procedures than the previous reports together in order what needs to be carried out in these organizations, in order to achieve common objectives. The chapter discovers and analyzes the importance of trust building in the creation process of partnership. The chapter also summarizes the most important conclusions of the research. Finally, it provides suggestions for future research studies.

## 2 CASE ORGANISATIONS

Etappi is an unemployment development project, which is specialized on workers in mid-market (between easily employed and fallen off from working life). Etappi operates in the Upper Savo region, which consist of Iisalmi, Sonkajärvi, Vieremä, Kiuruvesi, Pielavesi and Keitele. Lapinlahti is the only county in the Upper Savo which Etappi does not operate. Etappi started in autumn 2008 and will last until January 2013. Project employs five people and additional four part-time workers from two different non-profit social organizations in Iisalmi. Objective is to establish partnership or something else permanent between these social organizations, which would last after the project, is terminated. Project has already achieved a lot of results, which has been acknowledged by additional two years funding for operations. Funding is 4.5 million Euros for four years period and it's been gathered together from the participating counties and ESR.

One of the key elements and master plan is to establish partnership network, which would be leaded by one of the organizations and each one of the participating organizations would have one member in the board of directors. Services would be planned together with the clients and offered through the network. Social organizations direct clients which are paying for the services are: counties, cities, Kela – The Social Insurance Institution of Finland, Upper Savo Social and health Services Council Union, criminal service and insurance companies.

This research and results will be linked together with the final report of Etappi - project as a part of the work which we have all done during the whole existence of the project.

Here are the six social organizations briefly introduced for the reader to receive understanding what kind of services they provide for the society:

- Teka-tuote - working center in the Kiuruvesi municipality; Provides work, work experiences and structured activities for disabled (mainly for the mentally handicapped)



- Luotsi - juvenile workshop in the Kiuruvesi municipality; Offers steering in various work opportunities, studying and overall future plans for 17-25 year-old unemployed jobseekers
- Salmituote – working center in the town of Iisalmi; Provides work, work experiences and structured activities for all kinds of people
- Iisalmi Youth Support Association - workshop in the town of Iisalmi; Non-governmental organization, which is established to support and promote young people`s well-being. The association operates extensively in youth and civic engagement field. It maintains Iisalmi workshop, housing activity and outreach work for young people.
- Sonkajärvi Youth aid Ry - workshop in the Sonkajärvi municipality; Offers steering for worklife and guidance how to maintain working capacity primarily to young and long-term unemployed people.
- Monitaitoset Association – workshop in the Pielavesi municipality; Associations purpose is to support the various causes of exclusion of people in employment and training, as well as how to maintain and build the social network of relationships. Their goal is especially employ unemployed and disabled persons, and to act as practical training environment for young people and help them to seek follow-up paths to the labor market.

### 3 THEORETICAL FRAMEWORK

This thesis explores trust issues which may have an impact on the lack of partnership between non-profit social organizations in Upper Savo. The continuous process of specialization in social organizations leads to a growing need of cooperation. “Successful partnership involves the existence of several characteristics and it is widely acknowledged that trust is one of them” (Wehmeyer & Riemer & Schneider 2001, 1). In order to analyze the research questions presented in chapter 1, this chapter discusses from the theoretical point of view on the internal issues of trust and mistrust which are suggested to have an impact on lacking partnership. The main goal of this chapter is not to create a completely holistic view of trust between social organizations, with all its dimensions but to concentrate on the overall importance of trust as a tool for creating successful partnership (Wehmeyer et al. 2001, 4).

#### 3.1 Content of Trust

Literature defines trust in various ways, but in this research the focus will be on trust between people. Trust between people is not only associated with human relations or human characteristics but it is also dependent on the organization's management system, culture, structures and processes (Mäkipeska & Niemelä 2005, 27-28). “Trust itself can be seen as a very complex and multidimensional concept and throughout the years there have been several attempts to define and conceptualize its antecedents and outcomes” (McKnight & Cummings & Chervany 1998; Lewis & Weigert 1985; Blomqvist 1997; Zucker 1986; Huotari & Iivonen 2004; Falcone & Castelfranchi 2004). Therefore, it is essential to define the existing trust between the people in all six organizations. Trust between people is considered to have a key role in successful partnership.

“First, trust exists in an environment of uncertainty and risk. If organizations could undertake transactions with complete certainty, then trust would not be needed and the concept would be trivial” (Schumacher 2006, 261). According to Rousseau, Sitkin, Burt and Camerer (1998 cited in Schumacher 2006, 260) “risk creates an opportunity for trust, which leads to risk taking”. In other words, trust always involves decision making processes under uncertainty or risk.

Second, to a partner trust indicates vulnerability (Schumacher 2006, 261) which emphasizes thruster's willingness to use trusting expectations as a foundation for behavioral intentions and behavior (Luhmann 1979; McAllister 1995; Scott 1980 cited in Doney et al. 1998, 603). In other words, trust involves plenty of more than just creating beliefs about another's trustworthiness. There must be a willingness and genuineness to act according to those beliefs (Doney et al. 1998, 604).

Third, trust describes some grade of predictability. This means that a specific action which is high enough is performed for us to consider engaging in some form of interaction. Therefore the concept of trust can imply some form of expectations. (Schumacher 2006, 261.)

Fourth, trust exists in an environment of interdependence and reciprocity. The organizations have to believe that their own objectives cannot be comprehended without relying on the other. "Therefore trust becomes situation and person-specific". Nevertheless, we can expect that the scope how much person can be trusted may vary based on the situation and partners. (Schumacher 2006, 262.)

Fifth, the action and risk of trusting another is avoidable. If organization is forced to interact with another organization, people do not need the concept of trust to explain behavior. (Casson 1997; Dasgupta 1988; Lorenz 1988 cited in Schumacher 2006, 262.) These circumstances define organizational trust as the decision to rely on the alliance partner under a condition of uncertainty, vulnerability and expectation that each party will act in a way which is not harmful to the other. (Schumacher 2006, 262.)

This research combines all these five factors of trust by focusing on the importance of trust building. Interviewees from each organization will provide answers from their own perspectives to these issues above. Interview questions are built in a way that it covers all these five different factors of trust. When establishing partnership, it is obvious for the employees to be afraid of different matters. Therefore, it is essential to define and justify these five factors and include them part of this research.

### 3.1.1 Dynamics of Trust

Trust is based on mutual agreements which nature may be either legal or psychological. The concept of a psychological contract refers to the expectations that the partners have towards each other, either orally or silently agreed. The cooperation contract must be such as that all the parties benefit from it. Thus, sustainable trust will base on reciprocity. Trust is also always based on honesty and openness: the parties must have identical information on what terms the partnership or cooperation is being built, what issues it involves and how the situations and matters can change. (Shockley-Zalabak & Ellis & Cesaria 2000, 8.) This information provides the basis for what is agreed upon and how. The information needs to be true but also adequately sufficient that the parties can understand the contract and the reality of the object in the same way in order to commit to it. Commitment means wanting the same matter as the other party and taking a responsibility for its implementation. All parties need to have genuine commitment in order for the practical action to be logical and consistent with matter's that are agreed. When an agreement stands firm in practice and all parties give their optimum contribution it creates mutual appreciation and respect. This way built confidential cooperation forms a predictable and consistent continuum which creates safety and security. In most cases trust between organizations is based on personal relationships which create collaboration. Trust between organizations and trust between people in organizations are two totally different matters which need to be kept separate from each other. This chapter above clarifies to the reader the concept of trust between organizations. In order to create successful partnership, trust between organizations and people is necessary.

It is natural for trust to have certain dynamic. The process which was described above forms in a way a self-reinforcing cycle: by investing any of the elements of trust the rotation can be mobilized or strengthened. Therefore, establishing the dynamics of trust is not too difficult a task, but it requires constant attention to the functions of various elements. When trust becomes part of the operating culture, it will generate and strengthen the social capital in the workplace at its own weight. (Mäkipeska & Niemelä 2005, 32-33.) Social organizations in the Upper Savo region are seeking to strengthen their social capital by focusing on partnerships with each other, but the relevance of trust is left on the background.

### 3.1.2 Dynamics of Distrust

It is characteristic for trust to develop slowly and gradually, but dissolves rapidly. A disadvantage in trust dynamics is that if even a fracture of mistrust exists in the whole process, it starts a negative cycle. In other words, this means that there either is trust or not. Intermediate stages are difficult to distinguish or define. Distrust also forms a single and self-reinforcing process. When there is no common interest between the parties, it emphasizes self-interest and protection of the parties' own territory. This leads to pawning information and interpersonal conflicts. In the absence of common interest people escape responsibility and commitment is low, which leads to competition between them. Doings and views of others are very easily interpreted as negative and as an end result it causes insecurity, disappointment and general nauseas. When social capital is not cherished it turns against itself. Distrust reflects as a poor atmosphere, nonoperational collaboration, critics towards management and often in individual level work exhaustion. In the atmosphere of mistrust all the parties suffer and resources are used in everything else except working. (e.g. Moorman & Zaltman & Deshpande 1992; Gill & Butler 1996, 81-89)

The birth of trust is a very emotional process which being dissolved makes people behave in completely irrational way. Basics of trust are usually experienced in a very early stage on the relation of child and parent. People's experiences in early childhood affect whether their relationships with other people are confident or suspicious (Mäkipeska & Niemelä 2005, 47-48).

Table 1 visualizes and displays the five different trust factors and their decreasing or increasing impacts on them. Each one of the factors has two different perspectives where to view and estimate them. These two perspectives are in key role when social organizations in the Upper Savo region are planning partnership together. (Mäkipeska & Niemelä 2005).

**Table 1.** Factors which have an impact on trust

Trust factor		Decreases trust		Increases trust
Reciprocity		Monitoring		Self-guideness
		Hierarchy		Networks
		Differation in sharing tasks		Developing and sharing of know-how
Open interaction, feedback		Management has the knowledge		Everyone has the knowledge
		Management's monologue		Dialogue
		Feedback is criticism		Feedback is the foundation of development
Mutual objective, commitment		Objectives come from above		Objectives made together
		Commitment is being forced		Commitment comes from heart
		Management is taking the responsibility		Responsibility from mutual goal
				Freedom and looseness to work
Reciprocal respect, appreciation of difference		Respect of status		Appreciation of expertise
		Appreciation of similarity		Appreciation of difference
		Difference is seen as a threat		Learning together
Predictableness, safety		Expectations of stability		Future is in the hands of personal know-how and social networks
		Future in the hands of management		

### 3.1.3 Five Dimensions of Trust and Distrust

Dimensions which affect trust and distrust have drawn a attention among scholars in social psychology (e.g. Deutsch 1960; Lewicki & Bunker 1995; Lindsfold 1978 cited in Doney et al. 1998, 602-603), sociology (e.g. Lewis & Weigert 1985; Strub & Priest 1976 cited in Doney et al. 1998, 603), economics (e.g. Dasgupta 1988; Williamson 1993 cited in Doney et al. 1998, 603), science and technology (e.g. Falcone & Castelfranchi 2004) as well as in more applied areas such as management (e.g. Gulati 1995; Lane & Bachmann 1996 cited in Doney et al. 1998, 603) and marketing (e.g. Anderson & Weitz 1989; Dwyer & Schurr & Oh 1987; Moorman et al. 1992 cited in Doney et al. 1998, 603). Each of these pieces of literature offers unique perspective into the nature of trust, distrust and the processes through these develops. (Doney & Cannon & Mullen 1998, 602-603.) However, literature is able to define five different factors in

trust and distrust (Mäkipeska & Niemelä 2005; Maisch & Binder & Schmid & Leifer 2011).

The five dimensions of trust referred to above are as follows (Mäkipeska & Niemelä 2005):

1. Reciprocity, mutual interest and obligation:

The principles of mutual giving and receiving are typical and characteristic for trust. Trust can be regarded as expectations which the activity of others brings benefit to one's own organization. The whole network philosophy is based on that the both people and organizations create relationships with those parties whose knowledge is useful for one's own organization. At the same time it is expected that cooperation will produce more value to the customer than working alone. Networks collapse, when there is not raised any added value and trust is disappeared in this sense.

Reciprocity in the relationship between employees and employer's has been based on an agreement where the employee commits to undertake the assigned duties for a certain substitute under the supervision of the employer. Behind the agreement is the assumption of human passivity and controllability. At the same time the contract increases the manager's supervisory role and hierarchical position significantly. Thus agreement has been based on mistrust into some extent. The contract can no longer operate in networked organizations where the work time and place vary from subject to self-direction and where a mutual sharing of knowledge and working together is increasing important.

Trust-based reciprocity represents to the management a whole new range of challenges. The central tasks of management consist of bringing up and developing human resources as well as the promotion of participation and self-direction. Such management is likely to increase the sense of community and trust between peoples, while the control-based management is likely to reduce trust.

Trust, which is shown as caring for others and appreciation towards the community as a culture requires the right conditions to be able to born. Loyalty cannot be left only to people's good will. Most people are capable and willing to help others, when the circumstances are favorable. Reciprocity is broken when helping others seems not to be beneficial to oneself. This may be caused by the selfishness of people, but in most cases on the background are the related issues to the functioning of the organization. Tasks for example may be so diversified that co-operation is not seen fruitful. Distinction between "my and your work" prevents helping each other. Often to the situation are also related lack of resources and the experience of urgency when each one bears responsibility for only their own tasks, which also can produce difficulties. Often the works performances are monitored and rewarded individually which are enhancing the need for personal gain and to reduce the trust.

In workplace the principle of reciprocity can be organized in such a way that the labor is flexible, the peak is aligned together, knowledge is versatile and the tasks are considered as common. In this case, co-workers are easy to ask for help and sharing of information is open. Trust creates a desire to help another – mistrust creates a desire for underestimation and isolation.

## 2. Honesty, openness, shared information and feedback:

Honesty and open communication are essential and perhaps the most easily sensed elements of trust. In the atmosphere of trust, matters can be discussed directly and without equivocation. This kind of atmosphere is characterized by the ease, informality and often also the creativity and humor of communication. Ideas can be thrown into the air unfinished for others to chew them and give their opinions without being scared that they will be shot down with criticism, scolding and mockery. Such a processive brainstorming and mutual exchange of ideas is essential in promoting creativity and fruitful dialogue.

Trust based interaction of culture requires the sharing of all information and appreciation of everyone's opinion. Trust is traditionally associated with the perception of power. The higher one is proceeding in organizational hierarchy, the greater is seen the amount of knowledge. In reality this is not the case, but



based on the nature there exists different kind of knowledge in all levels of the organization. The better this knowledge is shared and used in the entire organization, the more creative and diverse solutions can be carried out at all levels.

The basic requirement for open and honest interaction is a regular and together agreed framework. It is difficult to require open communication between people which have very little in common, and who feel poorly each other's work and role in the common objective. Regular team or working group meetings ensures that all the matters will be covered. It is particularly important to ensure that there is time to clarify also the background of matters which often can eliminate unnecessary misunderstandings. In many communities meetings practice has been enhanced so that information matters are dealt for example via e-mail and the interaction has been utilized to broader discussions, processes of background and principal solutions.

The main matter is to have the atmosphere of interaction so that everyone's views are heard and valued. A lot of meetings are solely dependent on manager's speech while others express their feelings later on in corridors. In many workplaces participation has been improved for example by alternating the role of the chairman. This way meetings become shared and not only superiors monologues. It is characteristic for trust that the better people know each other the more they will be able to trust each other.

Renewable and creative interaction as well as the basic prerequisite of developing skills is the ability to give and receive feedback. Mutual trust creates the basis to receive constructive feedback from others and use them as mirrors. A touching critic can be received from a person who is trusted and intentions are known. Mutual feedback is the exhaustless source of learning. It helps to develop the activities in a meaningful way as a whole and at the same time to develop each member as a part of the community. Giving feedback should be seen as the responsibility of community as a whole instead of criticism. When the feedback is intended to build common success it is easy to accept and process.

A good and proven way to develop the culture of feedback is regular performance reviews which may take place not only between supervisor-subordinate but also in working group conversations. The topic in working group conversations could be for example the analysis of success and failures, assessment of group skills and mapping needs of development. The point is that by practicing a structured review of common matters the group learns to interact more transparently.

When building open atmosphere of interaction the supervisor has central importance. The relationship of trust is often hampered by the fact that the leadership is connected with the image of “omniscient”. Part of the leadership is that the leader must be always right and trust will be lost among subordinates if they find out that the leader is wrong. Pre-knowledge is the main opponent of dialogic conversation which prevents genuine listening of others. Instead of leader which has no problems to admit own mistakes, wins the trust of subordinates. As a result, the entire workplace can use mistakes as a source of learning and no one needs to be afraid of being marked as stupid or incompetent when making questions.

Honesty and transparency between the superior and a subordinate means the attempt towards subjective space between them. The truth is not only in one end but it arises when both ends are seeking truth. The supervisor cannot know or define the subordinate because the other is not an object. The other can only listen and be in a reciprocal relationship with him. Leadership is therefore very much intercommunication. Trust creating supervisor's most important task is to build such conditions in working community that honesty and genuine openness, willingness to give and receive feedback are possible. In such circumstances also the internal affairs of the human mind are heard and seen. This requires that the supervisor knows as well as possible the background and motivation of its subordinates. Public feedback is both individuals and societies growing ground for human and professional development.

3. Commitment, mutual will power and responsibility:

A common goal combines and forms the foundation for the birth of trust. Every human being wants to be involved in a group which carries out important matters for oneself. A group has enormous power when there is task which is considered important and mutual. Commitment to such a group ensures the personal effort of all parties in favor for common task. Such a community which aims for common success provides also success to the team members. The common objective eliminates competition, ensures open flow of information, and combines know-how and other intellectual resources.

The key question of building trust consists of people's participation when preparing mutual strategy and objectives. By participating in the setting of common goal is also guaranteed commitment, not with force but with heart. When individually important objectives are managing the activities also monitoring can be reduced. Trust as a key element becomes from the freedom and ease to work on one's own in spite of the place or time. Technology which is developed for this purpose provides great opportunity for example in the form of telework.

When people are not genuinely committed to the organizations goals, effect on the entire organization and its activities will be devastating. Group has a tendency to form other tasks among the function of working group. In organization where basic tasks are pushed on the background is talked about organization's decline. When a man does not experience its own role significant in the pursuit of common goal, he will end up focusing on other matters. Communities may have for some reason an atmosphere of uncertainty and aimless feeling which causes the employees to spent their time to solve rumors and fears while basic tasks are left on the background. The problem is often seen as people's problem such as: resistance of change, non-commitment, poor motivation, interpersonal conflicts and mistrust. The problem is almost without exception the organization's problem and it's corrected only when the interest towards basic tasks is restored. When trust is waning there should be always examined the relationship between people and groups on the basic task.

When the superior is building trust on the bottom of common goal his key leadership role is to inspire people to take part in mutual purpose and goal

setting, and to make each member of the working community to see their own role as part of it. This may provide an exhilarating experience of working together when everyone gives their own contribution.

#### 4. Valuation, respect and recognition of know-how:

Uplifting and joyful power of trust is especially seen in mutual respect and recognition of professional skill. This way trust is built on genuine partnership and mediation in order that each group member can experience the meaning of one's own participation in the group. In a group where know-how is valued it stimulates a person to give the value to others as well which strengthens mutual trust and knowledge as a whole. Trust encourages expressing different points of view and dealing disagreements. When expertise is appreciated people dare to express their opinions which are based on the personal know-how even if they differ from the views of others. This way working social capital also increases the human capital: the expertise of different areas can be launched into the use of whole workplace and part of the dialogue when organization will learn and develop new.

Respect towards hierarchy is characterized in organizations: the higher one are in organization more respect should be received based on the position and not so much based on the expertise. Organizations are also largely built on the appreciation of the principle of similarity: the more tasks have been standardized the more effective operations have been. Diversity has been a threat as it has questioned the hierarchy of organization. In constantly changing world one can no longer operate on the basis of these values.

In order to build trust organizations must base on human centralization. Animation of every person's skills and activity will raise one of the key tasks of the superior. This requires the appreciation of different opinions and acknowledging the relevance of others opinions as part of the strategic resource. Superior in managerial position is not above others but rather a collective supporter which responsible is to empower and bring forth skills. Key concepts of management consist of coaching, accreditation and mentoring.

Positive view of human beings is the starting points for appreciation and respecting attitude, as human resources is seen almost unlimited. When a person feels valued, he reaches to the best performance. Here holds true perfectly the saying “you get what you deserve”. A good leader appreciates his staff in such extent that he would interfere to poor work performance and seek for opportunities to improve it.

It is very difficult to get rid of the old values of management even though the world around us is changing. Re-assessment of values requires a very humble approach to the management tasks. Leadership is continuous self-challenging and willingness to learn from experience. Superior that is building trust also needs to treat himself with understanding and grace: the superior does not need to know everything because he has the group expertise supporting him.

##### 5. Predictability, safety and consistability:

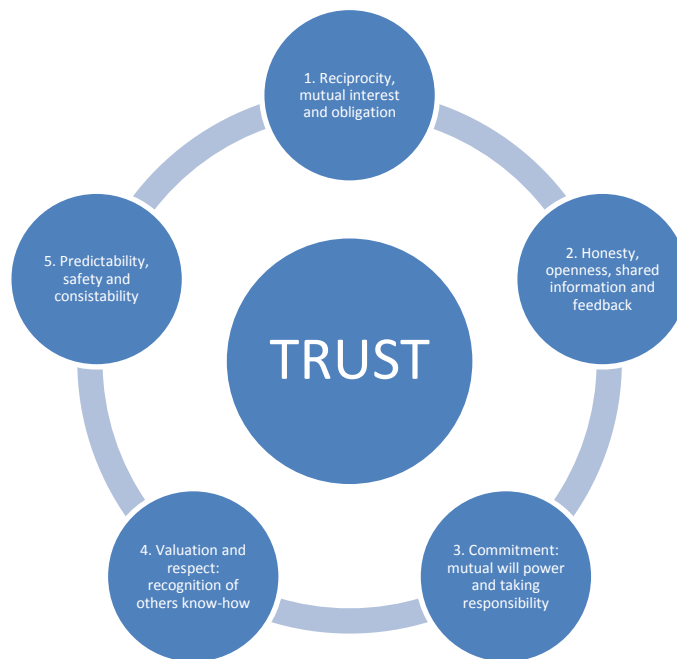
Trust is essentially linked to the management sense of future. People have a tendency to plan their future so as it becomes more manageable. Predictability is the trust factor, which is nowadays living the biggest turning point. Organizations have long been built on permanency and immutability which creates the feeling that present world is more fragmented than it actually is. Increased levels of short-term jobs and fixed-term contracts have also created insecurity and unpredictability of the future. Confidence in long careers within the same organization has changed into trust of one's own intellectual capital and its usability in different societies. Important will be also the personal development of social capital through networks. People that are been noticed have often established their own business with well-implemented network or continued in another form and environment the use of capital.

Long-term employment relationships have created strong bonds which are getting rare these days. Strong links have created a sense of security but have not ensured trust for the future. Rather people have faced really unsafe conditions in dismissals which they have not been able prepare or predict. People have sort of given their lives and future with confidence to the hands of the organization and this has led to disappointments. Often they have lost work and income but also

the circle of friends and recreation possibilities when whole life seems to be ruined.

A genuine sense of security can only be provided in community where everyone has the opportunity to develop their own skills in extent to remain competitive compared to other possible solutions such as outsourced service. The supervisor who wants the people to trust in the future continuously transmits information about the organization's financial situation, changes in the environment as well as the value of each work to the customer. This way the awareness of factors which influence on own activities increases the management experience. The employee is then no longer the object which is possible to be the victim of circumstances but an active player that has the opportunity to influence on its own future.

Figure 1 below depicts the importance of these dimensions of trust to the whole process of trust building and the overall importance of trust as a tool towards successful partnership.



**Figure 1.** Dynamics of Trust (Mäkipeska & Niemelä 2005)

The five dimensions of distrust referred to above are as follows (Mäkipeska & Niemelä 2005):

# 1. Self-interest & protection of one's own territory:

Trust building is a prerequisite for the principle of reciprocity and mutual benefit. Reciprocal balance of giving and receiving is rooted in the history of humanity. Thus, insulting this principle touches the very deep human need.

Reciprocity of giving and receiving is nowadays in many ways tested. Profit requirements are generally increasing in organizations, resources are reduced due to cost reasons, and the continuous rush of workers is a constant companion. Under these circumstances it is difficult to reach into high performance. Most are stubbornly trying to keep up with the quality of work, but this path often leads to personal exhaustion. In a situation where people cannot be pleased with the outcome of their work even trying really hard, leads to very negative attempts to solve the situation. Rather than burning-out a man can deny the value of work completely this leads either to cynicism, indifference or a very selfish personal gain. When the entire working groups fall into such situation, the result is protection of one's own territory, bilateral competition and so called "elbow tactics". Such a behavior is likely to lose the already scarce resources of the organization. At the same time the personal well-being is put to the test.

As well as the principle of giving but also the principle of receiving is put to the test even in a greater extent. Too many employees of organizations feel that they are working in unsafe conditions where continuity of work is unknown and future plans are un-described. The workplace is not felt to reward from self-sacrificing work contribution or either to give this security, which is expected to include in the conditions of employment. Life is difficult to plan ahead, and this causes the experience that management of one's own life is reduced. In precarious conditions mutual solidarity is broken. This creates bilateral competition and blaming others, and in such a situation can no longer expect help from colleagues and superiors. The reciprocity turns to self-interest and selfishness. All these factors undermine the trust in oneself, co-workers and to the entire organization, perhaps even society. In most cases, cynicism and hostility is directed against superiors, who on the one hand are between the

“wood and shell” with the dilemma of performance requirements and employee well-being. The supervisor can get a cruel reputation, he is considered tough and harsh, and thus the trust between the superior and the team is put to the test. The group may also end up completely to the state of dependence, in which case it would not even attempt to solve their problems, but waits for all the solutions to come from the supervisor.

2. Pawning of information, rumors, interpersonal conflicts & lack of feedback:

A climate of suspicion is very opportune ground for distorted communication and various rumors. Particularly in insecure conditions such as dismissals rumors run like wild horses. Data gaps are filled with assumptions which may not be based on facts at all. In an atmosphere of distrust everyone becomes cautious about what information to share. One might easily have a feeling that better keep the information itself, in order that will not be guilty. Thus, these information gaps can cause serious damage to the work performances; at least they will slow down the work significantly.

When interaction actuates in the workplace it arises different conflicts between people which extreme manifestation is bullying. It should be noted that in the atmosphere of trust no one is bullied because there is simple no need for this. No one is born bully or bullied, the victims are born in circumstances which promote the uprising of this kind of phenomenon. In a sense we all have potential bully inside us which might come out favorable conditions. This phenomenon has increased considerably after the recession weakened employment security and with the mutual tougher competition. When the future is very insecure, self-esteem has been insulted or expertise is not valued, one of the possibilities to cope psychologically from the situation is to hurt someone else who is weaker. A group might easily use the opportunity to point out the bully and blame it to be the origin of all evil and anxiety. Bullying is almost always a matter of a group phenomenon, not only relation between two people.

Pledge of knowledge or even wrong information is common tools of work harassment. Bullied person is left without significant information or data is



manipulated which causes them to failure in work. Climate of mistrust is characterized by the whispering and talking behind the back. People encamp reasonable easily to “us” and “those”, reliable and unreliable. Correct information hardly travels between these groups.

When identifying the impediments in the flow of information it is good to look at the work community as a whole. Bullying must be interfered immediately but it is good to look at it as a symptom which reflects to the whole group communication distortion and deterioration of the flow of information.

### 3. Non-commitment, escape of responsibility and contradictive objectives:

Commitment to shared goals is the core issue of management which is put to the test today in many organizations. Over emphasize of economic values is causing to many people a personal conflict between values. Particularly in public services and care sector where the value world of people is service and care orientated. In this kind of environment the over-emphasized might of money leads to very strong negative feelings and thus difficulties to commit into common goals. The situation can escalate into complete distrust between staff and management. Employees feel betrayed in such a situation: the values which are important to them have no longer any meaning. In emotional level this means humiliation which is followed by anger and rage towards management that has thrown mud on something important and significant to oneself.

There is also opposite situations where the staff has made a long journey to internalize the principles of performance and profitability and also learned to appreciate the so called “right way to make business”. When in such situation becomes a new leader who values humanity, nice time together, group spirit and holds money just as a necessary evil the conflict of values is equally strong.

In both situations it is question of fundamental conflicts of value which needs to be opened by discussing that a common goal can be achieved. Opening of the conversation can hardly ever take place by the staff. The management does

not know that often about the current conflict of values even if it detects the non-commitment of the staff. The fear to bring up difficult issues is mutual.

The usual manifestation of mistrust is the fear of expressing one's own thoughts and ideas. Climate of fear is surprisingly common in work communities. Its causes are often difficult to solve and none general and/or common cause of it seems to be found. Culture at workplace can be seeking for errors and punishing the guilty ones. Often the fear occurs in organizations where power issues are central and the use of power may even get hostile expressions. Fear is probably the most effective element to destroy trust and well-being in organizations and therefore the backgrounds of it should be always carefully examined and map out. Power users may become blind to the impacts of their operations and therefore it is often required an external and neutral liquidator.

In addition to non-commitment there is a lot talk about over-commitment. The limits between work and leisure have been dispelled, people work overtime without compensation and they spent long periods in the workplace after normal working day. Commitment is not often exhausting if it happens on a voluntary basis: work is experienced relevant and rewarding and it can fulfill own objectives and competencies. The work is considered as part of life rather than obligation that is bound to particular time and place. However over-commitment is considered harmful when it's been forced. Particularly harmful becomes to work too long and stressful day when there is lack of resources and incompetence on the background.

Also known as workaholic phenomenon has increased after the recession years 1990-1993. Finnish working life has evolved a norm that competitiveness can be maintained by working long hours. It feels like these so called "survivors" have formed a group whose policy involves working extra-long days, always being reachable and overloaded schedules according to Mäkipeska & Niemelä (2005, 55). The need is not necessarily coming from the organization but it rather come from the individual person needs to be involved in something important and create their own importance this way. The important matter is that no such by-phenomena would cause people to avoid the importance of

professional development and establishment of own identity. For the organization it is necessary to check that the commitment is based on genuine reciprocity and reward.

Interaction between managers and staff is very important when maintaining a common goal. Also the staff should be more active to bring out gaps and barriers. Too many matters are taken and given for granted. The meaning of challenging matters becomes more important during these times of massive information flood.

#### 4. Bilateral competition and negative interpretations:

In today's workplaces it is quite common that workers experience lack of appreciation which leads to bilateral competition. It is seen that individual input or expertise is not valued and in general people think that supervisors and colleagues do not even know what individuals are doing. This is often the result of organizations fragmentation and subtlety of functions. If one's own input is not understood, it is obvious that there won't be a feeling of appreciation.

When the big age groups will retire in near future, organizations are facing great challenge. The challenge concerns of the way organizations are able to receive experience and know-how as part of their equity and on the other hand appreciation of individuals' life work. It is particularly important to value the experience of elderly people, after all there is on stake their whole working life skills and professional identity. Older people are often before retiring facing a situation where their boss is much younger and inexperienced, who may not value the experience that much. However it is very important for the organization to utilize the tacit knowledge which is included in experience so that the aging person could act as a mentor or an expert on various projects. Mentor's experience helps to solve difficult problems and brings new perspectives to issues. Abandonment from the labor market in order that one's life's work is receiving appreciation, gives also strength to the retirement days. At the same time it is an indication to the remaining workers on the organization which experience counts, which tends to promote mutual respect.

Bilateral competition arises easily between the different groups when these groups feel that they are in unequal position. This is the case between the groups that are carrying out basic and development work. The appreciation of developing and creating of something new has risen and people talk about it. In joint meetings people like to talk about development matters while basic work receives a self-evident meaning of routine work. The roles of groups need to be processed and discussed together to avoid inequality. Development work has always a link to the basic work and this should be seen by taking into account the opinions and ideas of these basic workers. It is often the most essential matter for the organization that basic objectives of the work are achieved. This should be emphasized more and more through joint meetings, speeches and remuneration. All groups should be able to feel themselves important in the pursuit of common goals.

A working community which does not trust other's abilities or values skills is not feeling well. Nauseas often occur in various forms. People react with their body because very often they are unable to dismantle nauseas by verbally and this increases the absence of workers. Especially a lack of appreciation which is coming from management or by an organization manager's is reflecting throughout the organization. Competition of superiors attention leads to the pledge of information, hunt for the errors of others, mutual jealousy and other negative reactions. Everyone protects its own territory and therefore genuine co-operation cannot be built together. Energy is tied up to irrelevant matters instead of focusing into basic tasks and this creates conflicts between people: so the whole group ends up feeling the sense of inferiority.

Lack of appreciation is not often true, but based on people's subjective experiences and perhaps misinterpretations. In atmosphere measuring's the usual result is that "I appreciate the input of others, but others do not value mine". This is an impossible equation but if people feel this way, it must be true. Therefore, the organization's management should perpetually pay attention that the operations as a whole are clear to everyone, as well as the role of each part on the whole. Working as a team creates conditions where the team members are able to see their own contributions significance as part of the

clear-cut whole and to receive feedback from the inner circle. When people can see the significance of their own work, receive respect and dignity there is no longer need for bilateral competition instead it is possible to seek genuine cooperation.

#### 5. Insecurity, disappointments and nauseas:

Mistrust is born from disappointments. In the background there is a hope or expectation that has never come true. Generally to the birth of mistrust are needed repeated experiences of broken promises.

On the background of disappointments may also be individual events and situations. The most dramatic are probably restructuring and redundancy which leaves a permanent mark not only to redundant but also to those who remain in the community. These experiences have proven to be quite traumatic and affect the work environment for years, even decades. In cases of redundancies, it should be ensured that the continuity of performances in the workplace is backed up by sufficient measures. It requires handling the situation in open forums, clearing the causes and backgrounds and on the other hand uniting forces for to build common future. During the recession in the beginning of 90's the dismissals were not controlled and therefore their effects are still visible in many organizations as deeply rooted mistrust.

Unfulfilled promised changes also cause mistrust. One of the virtues of organizations which have also turned into a sin for many is the idea of continuing development. Developing operations is a virtue itself and even a necessity but there needs to be carefully for not generating unnecessary expectations or false perceptions. Accomplishing changes is slow and demanding and therefore expectations rise easily larger than the real possibilities. The most common cause for frustration in work communities is referred to be the start of a new development program before the previous one is completed. This indicates a disappointment to the fact that real change will never happen, but the development itself is the main matter. Development however requires a lot of energy from the work community and it is often felt as an extra work. Therefore each development work should have specific

timetable and clear objectives in order that the desired change of development can be followed and observed together.

Promises can be directed to individual improvements. Especially these kinds of unfulfilled promises lead to mistrust in management's ability and willingness to drive workers interest. This is a very sensitive topic: on the one hand the possibility of misinterpretations is high and on the other hand the feeling of disappointment is the worse when it concerns expectations of personal benefits. In addition, the estimates of the fulfillment of justice are extremely vulnerable to the emergence of trust and distrust. If the decisions of management are seen to favor the benefits of one group at the expense of another group the consequences can be devastating. Therefore, when handling benefit associated matters well defined rules and standards should be followed.

Figure 2 displays the importance of these dimensions of distrust to the whole process of successful trust building.



**Figure 2.** Dynamics of Distrust (Mäkipeska & Niemelä 2005)

Argumentation of these dimensions of trust and distrust are in essential role in order to adopt the impacts and effects of them in the trust building process for thorough understanding of the motives of people, when they either trust or do not trust

someone/something. Therefore, in order to understand conclusion chapter one needs to understand also the matters that effect on existing or non-existing trust and to the whole process of trust building. These dimensions were also discussed with the interviewees alongside with the official interview questions. Therefore, the review of these dimensions is particularly important for the interviewees, but also for other people who are processing these kinds of matters in their own organization. The interviews revealed that the dimensions were in some extent familiar to all of the participants, but the process phases of them were in different stages in each participating organization.

Trust is a multidimensional concept which has been mentioned several times in this research, but once again readers need to keep in their mind that trust between people in different organizations do not necessarily signify that there exist trust between the organizations. Dimensions of trust could be used as a tool to discover individually how each employee views these topics. The objective of this chapter is to arouse conversation between people in various organizations, especially in the participating organizations but also explain the behavior and various perspectives of people in trust related issues.

Dimensions of trust are the cornerstones for the research questions one and two. Without exhaustive explore, analyze and process of these dimensions in each one of the non-profit social organization in the Upper Savo region, there will never be generated genuine and long-lasting partnership. Research question three has also elements which are related to these dimensions from the customer relationship point of view. Subscriber/payer of the service (e.g. Kela - The Social Insurance Institutions of Finland and Upper Savo Health Care Services – Joint Municipal Authority), is advisable to familiarize to the aspects of trust building between social organization in the Upper Savo in order to trust the service provider when there is no longer one organization but several organizations together providing the service. Further connection of the dimensions of trust and distrust to this research will be performed and described in method and conclusion chapter.

### 3.2 Trust as a Foundation for Partnership

Partnership is a strategic decision for organizations. Each organization can consciously seek to strengthen cooperation and aim through that at improving work results and

employees' well-being. Organizations can also underestimate the importance of cooperation and leave the received benefits unused.

Genuine cooperation is built on trust. According to Fukuyama (1996, 27), "People who do not trust one another will end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated, and enforced, sometimes by coercive means". Lack of trust in the work community brings along also the so called free riders who make their utmost to take advantage of others' work, but at the same time they invest in the partnership as little as possible.

Inside the work community collaboration takes place when dealing and managing everyday situations and also when making the joint work together, on the one hand. On the other hand, in the work community there is also well-organized co-operation, such as meetings and project work. The way people treat each other is really important. If they trust each other, they are also ready to cooperate and help each other. Working together can also increase the trust when the employees learn that each member of the working community will benefit from working together. (Iivonen & Harisalo 1997, 119.)

Cooperation is not always easy. Cooperation skill or the lack of it however is not innate, but rather learned through social interaction. Cooperation can be learned by learning, as well as other people learn other skills by learning to learn them. In addition, the organization can consciously strive to strengthen cooperation. (Iivonen & Harisalo 1997, 120.)

### 3.2.1 Concept of Partnership

Partnership refers to the organization's external relationships with partners and internal operational culture. In both the actors are people, which the partnerships are built upon. The partnership is based on mutual trust and honesty, and common goals. Attention should be paid especially to the documenting of common objectives already in the planning phase. Partnership relations should be also fair and parties equal. The closer relationship is wanted, the greater is the need for organizational functions and strategies to fit together. The partnership is a result of a dialogue over time when trust will gradually increase. The partnerships also need continually more resources.



### 3.2.2 Different Factors of Partnership

Partnerships consist of three different factors. These include the integration of intellectual capital, production of added value and trust building. The partnership is a way to use, manage and maximize intellectual capital, i.e. to increase its value. Intellectual capital, production of added value and customer-oriented philosophy in partnership activities produce various benefits. From the basic elements of partnership: intellectual capital, added value and trust, each affects always immediately to the other two. To the construction of successful partnership affects the fact that how well these three factors are managed. Partnership signifies a connection where knowledge, know-how and whole intellectual capital is shared between the parties. The more information is shared, the greater the added value of partnership becomes. The partnership allows added value to all parties in the partnership. The success of the partnership requires the understanding of how the revenue model, value chains and networks are being established through cooperation. To the Success of partnership will not only affect the people and organizations, but also what kind of relationship is born between the partners. Relationship is the basic element which demonstrates if the partnership succeeds or fails. Trust is the most important factor in relationship, which is formed through transparency. (Mäkipeska & Niemelä 2005.)

The different parties in partnerships complete each other actions and know-how. The parties bring to the partnership equally knowledge and resources (time, money). The actions of both sides have impact on the final outcome. The partnership provides added value and profits to both parties. (Mäkipeska & Niemelä 2005.)

Everything which can be achieved through partnership is depending on how confidential relationship is established between the parties. Trust effects on sharing of information and integration of know-how. Through this is also created added value. If trust and exchange of information is required a lot, the greater are the chances for positive results in partnership, but also risks are higher. Partnership is always seeking balance between the supporting and opposing factors of projects. Merely the examination of advantages and disadvantages is not worth a while, because it can easily lead to aggravated confrontation and argument of terms. (Mäkipeska & Niemelä 2005.)

This sub chapter intention was to clarify the meaning of partnership and to present the processes what are needed when establishing partnership. As stated in the title of this research, trust building is one of the three factors of partnership. Therefore, it is also important to disclose to the readers the other two factors of partnership. Conclusions that are based on the research questions are discussed in later chapters of this research.

### 3.2.3 The Rules of Partnership

Common values, willpower and rules of the game are decisive actors in partnership. Consideration of these factors is the key to successful partnership according to over 80 Finnish leaders, which were interviewed for the “Handbook of Partnership” 2008 by Devoi Oy. The interviews revealed that it is not enough that the ground rules are defined at the beginning of the partnership, but also the progress needs to be viewed and monitored regularly. In the process of “Handbook of Partnership” Finnish leaders consider, spar, recognize and discover also other structures in partnership which all have important role in the whole process of partnership.

Figure 3 below demonstrates the seven main rules of partnership which were discovered by Finnish leaders. Further explanation of these seven rules is not adapted to its purpose in this research so therefore they will not be opened. These results of previous research will demonstrate how Finnish leaders understand the concept of partnership and also what they consider important during the partnership (Devoi Oy 2008).



**Figure 3: Seven Rules of Partnership (Devoi Oy)**

1. Common rules and state of will require a common hunger for success, common vision of future, mutual respect, trust on openness, genuine commitment, transparency and joint ownership.
2. Focus on customers requires that the partnership needs to produce genuine added value to the customer and to the customers of customers, shift the focus of expense savings into business benefits, and ensure  $1+1=3$  and win-win-win situation.
3. Leading of partnership has to be related into strategy, create more profitability and growth, and offer development opportunities to the key personnel and be executable and built on facts.
4. Indicators and objectives: concrete content for partnership, mutual objectives, and indicators must be ensured and agreed not just for quality but also for common making, monitoring for customs and methods, potential and earning logic.
5. Communications and procedures: partnership requires the right people, clear control model, well defined roles (contact persons, work distribution and game rules), regularly agreed contact manners, communication and reporting procedures in exceptional situations.
6. Development: in order that partnership is also development partnership it requires development discussions, feedback, jointly ensured innovation, focus on future and taking care of the development is continuing process not just a single operation.
7. Continuity or exit: circumstances might change and therefore partnership needs to be earned every day and rules need to be ensured in order them to be still valid. It also needs to be measured that is it worth it to continue the partnership if cooperation does not develop into the wanted direction. Game rules are required for secession of the partnership.

“Celebrate regularly the mid victories of partnership because in partnership is also allowed to have parties”, statement of over 80 Finnish leaders which participated on the process of making “Handbook of Partnership”.

The objective of this chapter was to produce support to the different rules, values and aspects of successful partnership. The challenges of successful partnerships are the same in non-profit social organizations and corporate life. Previous attempts of partnership has thought to the non-profit social organizations in the Upper Savo region that all these aspects and rules of partnership need to be fulfilled in order to achieve there successful partnership. Researcher’s personal experiences from numerous official and unofficial meetings have thought that the executive managers of social organizations in the Upper Savo region are not fully aware of these aspects and rules of successful partnership. Therefore, the content of this chapter is also combined to the research and interview questions.

#### 3.2.4 Different Levels of Partnership

Different levels of partnerships can be called a functional partnership (operational partnership), key partnership (tactical partnership) or strategic partnership. The functional (operational) partnership starts with both parties own goals and interests. The aim is to reduce costs and steer resources to their own core functions. Typically after generating connection in functional partnership, there are no longer required special resources or tailoring. Subcontracting relationship can be considered as a typical form in this type of partnership. The foundation of trust is built on written contracts and trust is born, if the contract terms and conditions will be followed precisely. Know-how appears as a defined service or product. Herein is in question a typical gearing ratio, which is acting on its own, when the agreements are in place and the system is created. The closer one is purchase / sale transaction, the more operational and functional the partnership becomes. Cooperation between parties can be very short-term. (Hakanen & Heinonen & Sipilä 2007, 60; Stähle & Laento 2000, 81-85.)

Key partnership (tactical) is open-minded by nature; it has the possibility to increase and change over the time. The final results cannot be defined as easily as in functional partnership. One of the main objectives for key partnership is learning, not only economic benefit. There is learned a lot in partnerships and these results of learning

should be transferred ahead to the benefit of whole organization. The aim is also to combine processes between the parties, eliminate duplications as well as integrate operational culture. In key partnership intellectual capital is in the form of operational processes and cultures. A key partnership also requires a lot of trust. It will not only work on the grounds of contracts. The result will depend a lot on how much experiential capital is shared in a genuine spirit of trust. (Ståhle & Laento 2000, 86-92.)

The strategic partnership's aim is to combine intellectual capital in a way that both parties will receive considerable strategic advantage for itself. Interdependence between the partners is deep, as the context requires profound disclosure of knowledge capital or the release of its strategically significant part to the use of others. This way partnership is formed to be diverse and profound. There is also high demand for trust. Strategic partnership is also fragile and vulnerable. The opportunities to produce added value are much higher than in functional and key partnership as strategic partnership can reach into a whole new level of competence or productivity. The strategic partnership requires transparency, openness and trust but own intellectual capital should be protected as well. One of the main success factors in strategic partnership is that how well there is succeed in openness and protection of intellectual capital. Strategic partnership can be also described by the concept of psychological contract. Psychological contract sets out what the other expects to receive back from its own contribution. (Toivola 2006, 17; Ståhle & Laento 2000, 9-11 & 93-103.)

Table 2 demonstrates and categorizes the differences between these three partnerships. It is important to understand the difference between these partnerships in order to create right kind of partnership.

**Table 2.** Different levels of partnership (Ståhle & Laento 2000, 103.)

	<b>Operational Partnership Functions</b>	<b>Tactical Partnership Integration</b>	<b>Strategic Partnership Innovation</b>
<b>Objective</b>	reduce costs, focus on own core business	combine processes, learn more efficient procedures	produce remarkable strategic advantage -> product and/or business innovation
<b>Capital of Knowledge</b>	defined product and/or service	manifested as a know-how, procedures and culture	requires the disclosure/handover of core know-how or immaterial capital
<b>Added Value</b>	economical	strengthening of operations, learning new	opportunity to raise the business into completely new level
<b>Basis of Trust</b>	contract	dialogue, cooperation	common understanding: connection, innovation and trust

### 3.3 Trust Building

Trust is seen as a cornerstone for cooperation (Axelrod 1984) which leads to constructive and cooperative behavior which is vital for long-term relationships (Barney 1981; Morgan & Hunt 1994). Trust is vital for both innovative works within the organization (Jones & George 1998) and in partnerships between organizations (Contractor & Lorange 2002; Zaheer & McEvily & Perrone 1998; Dodgson 1993). In this chapter trust is defined as organizations expectation towards the other party in competence, goodwill and behavior (Blomqvist & Ståhle 2002).

#### 3.3.1 Dimensions of Trust Building

It is discovered that in partnership both competence and goodwill are needed for trust to develop (Blomqvist 1997). The relevant competences such as technical capabilities, skills and know-how are necessary antecedents and the base for trust in professional relationships. This is especially in technology partnership where potential partners are required to have technological knowledge and competencies. Signs of goodwill (moral responsibility and positive intentions) and the related expectation toward the other are also necessary for a partner to be able for to accept risk and a potentially vulnerable

position. “Positive intentions appear as signs of cooperation and partner’s proactive behavior” (Blomqvist & Ståhle 2000).

The actual behavior of parties is the third dimension to trust which was added by Bidault, Gomez and Marion (1997). Goodwill-dimension of trust includes positive intentions but when the partnership is developing, the actual behavior demonstrates that the trustee fulfills the positive intentions which will enhance the trustworthiness. Already at the first meetings the behavioral dimension is present in signs and signals that are seen in a form what information is revealed and in which manner. In the partnering process the actual behavior e.g. kept promises become more visible and easier to evaluate (Blomqvist & Ståhle 2000).

### 3.3.2 Different Phases of Trust Building

Trust building can be separated into four different phases. Each one of these is crucial in the birth process of trust. At each stage partners receive information in various forms, which will then strengthen or undermine trust. These phases are the preparation of a partnership, personal encounters of the partners, concrete action as well as the evaluation of results (Partnership Strategy 2012, 2).

Trust is based on the partner's attractiveness, foreknowledge and also to the obtained image. A positive pre-image of the other party will make it look attractive. Attraction is proved to be a significant factor in building partnerships. It is important that in the production phase is given a clear picture of operations and know-how. In addition, the image which has been given must be positive. The most critical point of partnership is the encountering of people, and what happens in these encounters. The partnership is a concrete matter which needs space and time to build itself. Trust is built and based on mostly, how people can encounter with each other. Therefore, personal skills of people play a very important part in building partnerships. The organization of trust can easily crumble if people do not know how to behave themselves. (Blomqvist & Ståhle 2000; Partnership Strategy 2012, 14.)

One has to understand that the partnership cannot be built solely upon facts. It requires also such information which is in the form of feelings, experience and premonition. Encountering is an event, in which the personas meet each other and also the

subconscious signals are transmitted. Trust is based on the last minute in feeling and intuition. Open communication is one of the prerequisites of trust building. People realize matters through their attitudes and moods. (Jones & George 1998, 537; Lewicki & Tomlinson 2003; Partnership Strategy 2012, 14.)

In the long-term, a partnership can only be successful if its results are evaluated and measured continuously.

Trust building is the first and most important step towards successful partnership. Therefore, this sub chapter supports the previous chapters by providing more precise knowledge of the different phases of trust building. The readers need to understand that when establishing partnerships the personal relationship skills of people come as priority number one. This chapter is made for the readers to think these matters from wider perspectives especially when planning future partnerships. Furthermore, the method and conclusion chapters will point at and go deeper into these matters.

### 3.4 The Role of National Culture in Partnership

Throughout the years researchers have offered a lot of different definitions of culture. Seven decades ago there were already more than 160 definitions (Kroeber & Kluckhohn 1952). The concept of culture is a really complex topic, which is often used as an automatic excuse for any failure especially in partnerships.

Goodenough (1971 cited in Doney & Cannon & Mullen 1998, 607) saw the culture as a set of beliefs or standards shared by a group of people, which helped the individual to decide what is, what can be, how to feel, what to do and how to proceed when doing it. Goodenough's definition does not equate culture just in one particular society; instead people may share different cultures for example at work, spare time and home. Sociologists Namewirth and Weber (1987, 8 cited in Doney et al. 1998, 607) defined culture as a "system of ideas" that offered a "design for living". According to Clark (1990, 66, cited in Doney et al. 1998, 607) culture is "a distinctive, enduring pattern of behavior and/or personality characteristics". Anthropologists Hall and Hall (1990 cited in Doney et al. 1998, 607) described culture as a system for creating, sending, storing and processing information. Hill's definition describes culture as "a system of values and norms that are shared among a group of people and that when taken together



constitute a design for living” (1997, 67 cited in Doney et al. 1998, 607). Usunier (1996) defines culture as a complex and interrelated set of elements that comprise knowledge, beliefs, values, arts, laws, manners, morals and all other kind of skills and habits that are acquired from human beings as a member of specific society. I adopted Hofstede’s definition because it is the most suitable one for my research. According to Hofstede culture is “the collective programming of the mind which distinguishes the members of one group from another” (1984, 21). The purpose of social organizations is to provide various services for individualized customers and place those customers in the core of all activities. This is why, it is essential for everyone and especially employees in social organizations to keep in mind that the production of monthly reports, subcontractor agreements and meaning of money in its entirety are secondary matters in non-profit organizations. Retelling and following Hofstede’s definition of culture, the minds of managers and employees in non-profit social organizations in the Upper Savo region should be reprogrammed to make them understand what distinguishes social organizations from corporate life. As was mentioned above, the concept of culture has numerous definitions and its impact on different business networks such as network between social organizations has been discussed from various perspectives (Möller & Svahn 2002; Hofstede 1980).

Cultures can be divided into neutral and affective. The two opposite parties representing these two different cultures may get into difficulties if they misinterpret each other’s standpoint. Verbal communication includes different elements such as the level of interruption, silence and tone of voice. There are many kinds of feedback mechanisms to verify the message. The context of communication is essential, since contextual factors may distort what actually has been literally said. How people communicate is both explicit and implicit. However, this did not apply in communication only, but also in various ways people and organizations do business, in other words high context may be called difference “from general to specific” and low context strict “from specific to general” (Trompenaars & Hampden-Turner 1997, 89). The danger zone is where the strict and difference encounter. Communication is in principle an exchange of words, information, emotions or ideas. Information is the porter of meaning (Trompenaars & Hampden-Turner, 74). Meaning is the core of successful communication and therefore it is essential to find a way to share active system of meaning. The sources of culture have been divided into the following categories: nationality, language, education, profession, ethnic group, religion, sex, family, social class and corporate or

organizational culture (Usunier, 1996, 3-12). Nationality and national culture are often considered as cornerstones for culture.

It seems to be characteristic the managerial culture between social organizations in Upper Savo to prepare organizational decisions and future schemes as far as possible before expressing them to public or even to their own employees. When it is a question of partnership with another organization it is not advisable to bring forth fully completed plans if the other organization opinion in this matter has not been asked beforehand. The urge to produce flawless plans or propositions leads generally into misunderstandings that are interpret such as lack of trust, competence, know-how, openness and honesty.

### 3.5 Trust in Partnership Relationships and Networks

Partnership is one of the many possibilities of cooperative strategies that an organization may reach after. However partnership is considered to be one of the most generic forms of cooperative strategies involving two or more organizations. Other common cooperative strategies are alliances, joint venture, forms of contracting or cooptation. All these strategies have received increasing attention from researchers during the past decade and become increasingly important as a ways to control competitive forces or when entering into activities which involve unacceptable risks as independent ventures. Trust is considered as a useful core concept for understanding the performance of partnerships. (Gill & Butler 1996, 81-89)

Partnership is a business relationship which can be defined as a process where two organizations “form strong and extensive social, economic, service and technical ties over time, with the intent of lowering total costs and/or increasing value, thereby achieving mutual benefit” (Anderson & Narus 1991, 96). Relationships are divided into five types of organizations which effect to the ability to produce and deliver value to intermediate or final customer: suppliers, other customers, competitors and complements. However, this chapter will not provide any further details about the topic. Instead, this chapter will take a closer look at the level of trust and management which is acquired in different levels of business relationships.

The first level of management is the individual actor looked at in isolation. Organization is not an island instead it is connected to other organizations and firms in such an important ways that it requires management's attention. There are in each organization and firm networks of relationships among people and business units which determine how they can and should behave. (Ritter & Wilkinson & Johnston 2004, 175-183.)

The second level of management is individual dyad. This has received a lot of research attention in the studies of buyer-seller relationships in business markets and distribution systems (Wilkinson 2001). The management in individual relationships has been referred to the management of micro positions in networks (Johanson & Mattsson 1987, 1992; Mattsson 1985). However, relationships such as firms are not isolated from each other but instead they are interconnected and forming networks (Anderson & Håkansson & Johanson 1994; Wilkinson & Young 2002). This leads to various types and/or levels of network management which includes management within and between relationships (Ford & McDowell 1999; Möller & Halinen 1999).

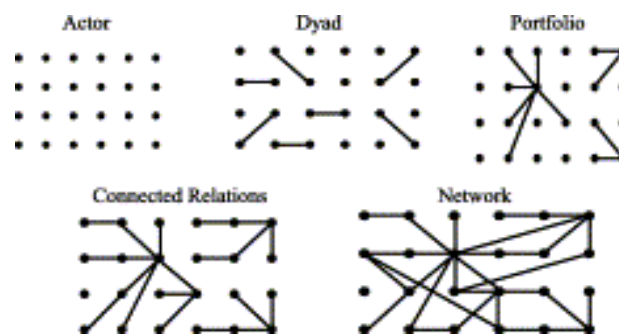
The third level of management is portfolio. It signifies an individual actor, firm or organization which is simultaneously involved in a number of relationships. These establish actor, firm or organization's relationship portfolio and the set of tasks involved in managing such a selection of relationships, which is described by Mattsson (1997) as the "extended interpretation of relationship marketing". The tasks included the problem of allocating resources to different relationships and managing interactions within each relationship (Easton 1992; Ford 1980; Håkansson, Johanson & Wootz 1976). It also includes the management's positive and negative interactions among portfolio relationships, such as allowing interactions with customers by the management of supplier and cross-functional relationships. (Ritter et al. 2004, 175-183.)

The fourth level of management is connected relationships in which the actor is not directly involved, such as the indirect connections between an organization and its customer's customers or supplier's suppliers (Anderson, Håkansson & Johanson 1994). The management problem in this is to simultaneously deal with the indirect effects of management action in one relationship and on other relationships of the network including the responsibility to answer to the opportunities and problems which are arising from action taking place in connected relationships. In here, the role of relationships as bridges or channels to other relationships becomes very important,

giving growth to different types of indirect network functions of relationships (Håkansson & Snehota 1995; Walter, Ritter & Gemünden 2001). The strength of weak links becomes relevant as potential bridges to different types of actors and knowledge (Granovetter 1985).

The final level of management is network itself. In here the concepts of network or micro positions (Johanson & Mattsson 1987, 1992; Mattsson 1985) and network identity (Andersson, Håkansson & Johanson 1994) becomes relevant. These arise as a result when interactions are taking place among actors in the network, from the different micro positions of actors that include interaction between and within firms and other types of organizations (e.g. government actors), and on business and nonbusiness interactions (Håkansson & Snehota 1995; Welch & Wilkinson 2002).

Figure 4 shows the levels of trust and management which are required in different business relationships. This figure also demonstrates how time-consuming the process of building partnership relationships and networks can be. Therefore, it is important to understand that partnerships are not built in fast but instead it takes in most cases several years.



**Figure 4:** Levels of network and relationship management

## 4 METHODOLOGY

In this chapter the research methods and reasons behind of these choices of methods will be presented. The interviewees and data collection methods will be also introduced, as well as the general structure of the interviews. The data collection chapter has been divided into primary and secondary data, which both will be justified.

### 4.1 Methodological Choices

This thesis is based on qualitative research that followed the logical procedure of activities suggested by Yin (2009, 24) as follows: plan, design, prepare, collect, analyze and share. This thesis focuses on providing new insights and knowledge about the importance of trust building when planning collaborations between social organizations in the Upper Savo (Ghauri & Grønhaug 2002, 29). The aim of this qualitative research is to gather an in-depth understanding of human behavior in trust issues and the reasons that govern such behavior in the selected organizations (Denzin & Lincoln 2000). Qualitative method research answers to the why and how questions in the process of decision making, not just to the questions of what, where and when. Qualitative method is the most suitable one for this research because all the research questions start with how or what. Therefore, to find answers to the research questions smaller but accurately focused samples are more often needed than large samples (Crouch & McKenzie 2006). Cassell, Symon, Byehring and Johnson (2006) refer to several different authors, such as Crompton and Jones (1988) and Boje (2001), who have highlighted the important contribution that qualitative techniques can make to the field. They suggested that when exploiting qualitative techniques in research there are good opportunities to find new ways to approach different issues which might attract the interest of the management and researchers (Cassell et al. 2006, 290-291). This thesis includes six different organizations which will be cross-compared to isolate possible themes or patterns in their business and operations.

Qualitative research relies on the qualitative data (i.e., nonnumeric data such as words and pictures) which is collected from the field. According to Johnson & Christensen (2008) the most common research objectives in qualitative research is to explore, discover, construct and describe whereas quantitative research focuses to describe,

explain and predict. Interest in qualitative research is local, particular groups and people whereas quantitative research focuses only on general laws (Johnson & Christensen). More detailed reasons behind these method choices will be presented in the following sections.

## 4.2 Data Collection Methods

### 4.2.1 Primary Data

The choice of data collection method in this research was in-depth interviews, which is a useful qualitative data collection technique that can be used for multiple purposes, including program refinement, needs assessment, issue identification, and strategic planning (Guion, Diehl & McDonald 2011). There exists many types of interviews and the choices between them depend on multiple reasons, such as the type of data required and the resources of interviewer. In this research was conducted semi-structured style of interviews from the range of structured, semi-structured and unstructured interviews. The semi-structured interviewing style includes the advantages of both structured and unstructured approaches. The results of semi-structured style of interviews are in generally easier to compare, analyze and quantify, as a bonus it allows interviewees to explain their responses and provide more in-depth information if needed. Nevertheless, the interviewee's opportunity to provide thorough explanations may turn into unnecessary time-waster on secondary subjects. More precisely in this research was chosen in-depth interviews which raised the participation level and results became more reliable than in questionnaire or survey. According to Brewerton & Millward (2001, 69-70), interviewing is a highly flexible research tool which can also be used at any point of the research process.

The key characteristics of the interview questions were the following:

Open-ended questions were chosen in order to prevent the possibility of interviewees to answer "yes" or "no". All the open-ended interview questions start with "what" or "how," which gave the interviewee a freedom to answer the questions in their own words (Boyce & Neale 2006; Guion, Diehl & McDonald 2011).

Semi-structured format was important tool to pre-plan the key questions in order to achieve conversational interviews, with questions flowing from previous responses when possible (Boyce & Neale 2006; Guion, Diehl & McDonald 2011).

Seek of understanding and interpretation: It was important to use active listening skills to reflect upon what the speaker was saying. The interviewer tried to interpret what was being said, seek clarity and understanding throughout the interview (Boyce & Neale 2006; Guion, Diehl & McDonald 2011).

Recording responses were recorded to digital recorder and complemented with written notes (i.e., field notes) by the interviewer. Written notes include observations of both verbal and non-verbal behaviors as they occurred, and immediate personal reflections about the interview. Social signs such as voice, intonation and body language of the interviewee gave to the interviewer a lot of extra information which were included to the verbal answer on each question (Barath & Cannell 1976; Obdenakker 2006; Blair 1977). Obviously the true meaning of these social signs cannot be interpreted unambiguously and therefore they sometimes lead to misinterpretations. In sum, in-depth interviews involve not only asking questions, but systematically recording and documenting the responses to discover the deeper meaning and understanding.

The structure of all interviews was the same in most extent because the aim of the interviews was the same. Questions were not informed in advance to the interviewees. Only information they receive beforehand was what the research concerned about and how it will be done. This procedure ensured that the answers were genuine, reliable and not planned beforehand. In-depth interviews are most appropriate for situations where needs to be asked open-ended questions that uncover depth of information about a person's thoughts and behaviors from relatively few people as opposed to surveys, which tend to be more quantitative and are usually performed with larger numbers of people (Guion, Diehl & McDonald 2011). This allows the interviewer to explore deeply the interviewee's feelings and perspectives to the subject. The primary advantage of in-depth interviews is that they provide much more detailed information than what is available through other data collection methods (Boyce & Neale 2006). According to Gummesson (2006, 175), the scientific tools should be chosen on the basis of how it suits to the researcher's own personality therefore face-to-face interviews were chosen as means of collecting primary data in this research.

The interviews were performed in Finnish, which is the official language in all six organizations and also a mother tongue to the interviewees. Interview questions were translated into Finnish beforehand and the similarity of original questions and translated questions were ensured by many people.

#### 4.2.2 Secondary Data

In this research, the secondary data was collected from different internet sites, articles, journals, books, previous surveys and ESR – funded projects. Secondary data, in other words secondary source is best known as a methodology for doing research by using pre-existing statistical data (Heaton 2004, 13). Statistical data is a research strategy which uses pre-existing quantitative or qualitative research data for the purposes to investigate new questions or verify previous studies (Heaton 2004, 16). The knowledge that the researcher acquired while working with these six organizations is also included as part of the secondary data in this thesis.

#### 4.3 Sampling Criteria

Sampling of interviewees was carefully targeted and chosen from the six different social organizations in the Upper Savo. Altogether twenty (20) people were interviewed face-to-face by using in-depth interviewing method. Eleven (11) was male and nine (9) female interviewees. All the interviewees were in superior positions, which entitle them to effect on decision making process in their own organizations. All the interviewees had also participated throughout the years in various trainings, seminars, conferences and projects where main topic has been collaboration between social organizations. Also they all had as individual persons and part of their organizations participated to ESR (European Social Refund) funded projects during the past decade. These are the main reasons why they were chosen as part of this interview.

#### 4.4 Data Analysis Method

Grounded theory was chosen as the data analysis method in this research. Barney Glaser and Anselm Strauss can be assigned as the founders of grounded theory. They



announced that there is a need to “discover theory from data”. Since the publication of this important book in 1967, grounded theory has become one of the most popular approaches to qualitative research. According to Strauss and Corbin (1994, 273), “Grounded theory is a general methodology for developing theory which is grounded in data systematically gathered and analyzed”. In-depth interviews which were used in this research are excellent example of systematically gathered data. Qualitative data was carefully analyzed and transcribed. Transcription was used to transform the audio recorded interviews and written notes from the interviews, into typed text. The typed text is called a transcript. This process involved sitting down, listening to the recordings, and typing what was said into a word processing file. In short, according to Johnson & Christensen (2008, 534) transcription involves transferring data from a less usable to a more usable form. Grounded theory is a systematically analyzed data, where to transcription method suits perfectly. In other words grounded theory could be described as a theory that is inductively derived. Figuratively speaking, one can think of inductive analysis as “getting inside your data” (during data collection, interviews and analysis), “living there” or “hanging out there for a little while”, and developing an understanding of the topic based on the data.

Data analysis in grounded theory starts at the moment when first contact has been made with the phenomenon and it continues throughout the whole development of a grounded theory. In my case it already started while I was still working for Etappi - project, which was at the time and still is closely collaborating with most of the social organizations that are taking part in this research. According to Johnson and Christensen (2008, 413), the most popular data-collection method in grounded theory is the open-ended interviews which were also used in this research. Usually grounded theory requires long periods at the field, which ensures time to collect additional data to fill in gaps in the developing of grounded theory. In those cases there will also be time to verify and test propositions based on the theory. As one can see, extended fieldwork would have been the optimal situation because researcher can keep on collecting important data. In this research all the data was collected in a short period of time, which made the conditions to develop convincing grounded theory more challenging. Nevertheless despite preconceptions, researcher was able to develop a tentative grounded theory in very short period of time which can be further developed in later research.

Most unique parts of grounded theory research approach as in this research is the approach to data analysis. The three stages of data analysis are called open coding, axial coding, and selective coding (Strauss & Corbin, 1990). Open coding was the first stage in this research. It began after some initial data was collected and it involved examining the collected data by reading transcripts line by line, naming and categorizing discrete elements in the data. In other words, it involved labeling important words and phrases in the transcribed data. Like mentioned above all this data was typed into a word processing file. The purpose of open coding was to find concepts that were commented more than one person during the interviews.

Open coding is followed by axial coding. During axial coding was developed the concepts into categories and organized the categories. After that was time to seek what kinds of matters the interviewees mentioned more than once, in other words what themes appeared across the interviews. At the same time was also looked for possible relationships among the categories in the data. The purpose of this is to show how the phenomenon operates.

Selective coding is the last stage of data analysis in which was set the finishing touches to the grounded theory in this research. In particular, this is the stage where grounded theorist looks for the main idea by reflecting on the data and results that have been produced during open and axial coding. Ultimately, it is during selective coding when the grounded theory is explained. Analyzing of data is finished when theoretical saturation occurs. This occurred when there was no new information or concepts emerged from the data.

## 5 ANALYSIS AND DISCUSSION

### 5.1 Analysis of Results

The following chapter provides a summary and analysis of the key findings gathered from 2,5 years of own experience at Etappi - project and in-depth interviews at six non-profit social organization in the Upper Savo region. The following section will draw a connection between these key findings and literature. It also provides answers to the research questions as well as the main research objective identified in the beginning of this research:

*“Explore the possibilities of trust building as a solution for sustainable and active partnership between six main social organizations in the Upper Savo”.*

Following is a review of the answers that were found in this research:

- ➔ What would be the benefits and threats of partnership between social organizations for paying customers and for the end customers?

The main purpose behind this research question was to discover that is there genuinely any substantial threats in partnership between social organizations for paying customers because throughout the years all these six non-profit organizations in the Upper Savo region has more or less protect or hide themselves behind this issue when establishing partnership.

The most important benefits of partnership for paying customers would be the possibility to choose from wider scope of services and the opportunity to develop these services. Paying customers would also benefit from the productization of services which would be followed from partnership. They would also become aware of the content of services and what they are exactly paying for. This is also acknowledged in the literature as Radford et. al (2004, 1) stated that the productization of services can be extremely valuable when creating creditability with new customers or partners. Productization supports logical and ongoing delivery of services. Therefore, it is important that the paying customer and producer of services are in the same page and speak the same language. This mutual awareness is a sign of trust.

Threats of partnership are seen quite insignificant for the paying customers. The only threats that arise among view interviewees were the possible clumsiness of partnership which would cause slowness and stiffness in the decision-making process. Other threats could be the internal issues among partners that might effect on the delivery and/or quality of services. Partnership or a foundation which consists of several organizations could restrain competition, create monopoly and end up raising the costs of services which would be a threat for paying customers.

The main benefits for end customers would be the possibility to choose from wider range of services, better quality and easier to create individuals “paths” for customers. “Pathing” means intense communication with the customer (Ray, 2012). This intense communication usually leads to increased participation level of customers in various procedures that improves their possibility to get employed or start education (Suikkanen, 2008, 43).

There were not seen any real threats in partnership for the end customers. Most interviewees felt that there are only positive effects. Minority of interviewees proclaimed after the importance of customers. They were worried that the individual customers would disappear inside a bigger organization and therefore become less important. Few interviewees brought up a dilemma that the partnership between social organizations in different counties could force the customers to travel to the service instead of bringing the service to them.

- ➔ How can trust be built between non-profit organizations?
- ➔ What is successful co-operation?

Trust building and successful co-operation are closely intertwined; therefore these two questions will be discussed together. In the short run, the communication of the partnership through presentations on the details of the co-operation can help employees, sponsors and other cooperation partners to understand the changes taking place in the organization. In some cases it is possible to create an atmosphere of urgency and make others feel that they are missing out something if they are not participating. This often leads to cooperation but not to successful one or long-lasting. Therefore, leadership plays a major role and the words and actions of corporate and middle management

influence the way the trust and cooperation is perceived among rest of the employees. Management shows the way with own actions and rest of the employees establish their conclusions based on those actions. That is why in this research the interviewees were mainly executive managers and middle management.

The employees of social organizations in Upper Savo region have cooperated via customers throughout the years in some extent but nothing long-lasting collaboration has never been really established until now. So far the cooperation and trust has based on personal trust instead of organizational trust. Therefore, the trust and cooperation has disappeared with these people when they have moved somewhere else or stopped working in that specific organization. However, personification of things is a two-bladed sword because it can either advance or complicate cooperation (Pelto-Huikko 2010).

Interviewees provided almost identical answers to both of the questions. The scope of answers was broad but few topics rise above others. The key factor in trust building and successful cooperation was seen the ability to do together practical work. In other words, through practical work organizations are able to test drive the cooperation and work together in order to achieve equal objectives. Secondly important was to familiarize with other organizations and colleagues. Majority of the interviewees stated that the actual social gatherings should be both formal and informal because both of these settings can equally increase understanding and socialization among partners if they are seen in different light. Literature has several authors that support this same argument on the basis of social similarity (et. al Zucker 1986; Creed & Miles 1996), socialization and creating shared meanings (et. al Nonaka 1996), learning and understanding (Jones & George 1998; Whitener & Brodt & Korsgaard & Werner 1998). Thirdly was mentioned openness, honesty and courage to talk straight out like things are without personification. In other words, all parties of cooperation need to keep in mind that opinion and things argue with each other not people.

## 5.2 Summary of the Research

The purpose of this research was to provide easily approachable view of the importance and complexity of trust building between employees and organizations in the third sector when creating cooperation. The assessment was possible by utilizing formal in-

depth interviews. The relevant theoretical framework is applied from the trust theories of Mäkipeska and Niemelä (2005, 27-28, 32-33, 47-48, 55) and Blomqvist and Ståhle (2000). However, I believe that there are no simple ways or formulas how to use trust as a tool when creating long-lasting cooperation and eventually partnership. Therefore, this research was useful in elaborating the theoretical framework from different perspectives. The positioning and layout of interview questions were playing important role in this process to discover alternative perspectives of interviewees.

In chapter 2 is introduced the six social organizations from the Upper Savo region which participated into this research. It includes a brief introduction of each organizations main target group and operations. The relevant literature reviews are performed within theoretical framework chapter 3. They constitute the theoretical background for this research. The content of trust building and trust in general are described. Five dimensions and dynamics of trust and distrust are introduced by Mäkipeska and Niemelä (2005). Then, the roles of trust and culture in partnership relationships and networks are also introduced. The qualitative research, sampling criteria, data collection and analysis methods are described in chapter 4. The research questions are answered in chapter 5, main findings in chapter 6 and conclusions with suggestions for future research in chapter 7.

### 5.3 Discussion and Main Findings

The findings of this research are discussed here. The focus of this research was not on discovering the reasons behind failed attempts of cooperation but instead on discovering the role of trust and trust building when planning partnership. Cooperation between social organizations is not a new phenomenon in the Upper Savo region; on the contrary there have been several attempts throughout the years to establish networks, partnership and other cooperation. There are multiple reasons why these previous attempts failed and one of the main reasons were and still is lack of trust between the management in organizations. In other words despite the actual demand and necessities for cooperation, the social organizations have not established anything permanent so far due to the lack of trust except the foundation.

The whole society in Finland is undergoing significant changes. The so called reliable employers such as the paper and pulp industries do not guarantee long permanent

positions for employees. Other industries are also cutting costs and firing people. Among other developments, these changes have immediate effect on social organizations and the entire third sector. Most of the old services in these six social organizations should be developed and at the same time new services created. Simultaneously funding is being cut and operations enhanced, which has led to insufficiency of time among employees. In this stage steps in to the picture the alternative to establish partnership between other social organizations in the area, join forces and provide services together.

The in-depth interview contained altogether ten questions which were related to trust, trust building and partnership overall. The interviews revealed prejudices between organizations which are mainly caused by uncertainty, rumors and distrust. Interviewees reported that these issues could be eliminated by building trust. Simple solutions could be to organize gatherings where employees could familiarize themselves with other colleagues. This was seen as very important that the other organization has a face not just email address or phone number. It is important to build trust among partners before cooperation and not vice versa. The interviews also implied that the terms of cooperation were prepared too far by specific organizations without asking other organizations' opinions. It is characteristic in Upper Savo managerial culture to prepare propositions as far as possible behind closed doors before releasing them to other colleagues or partners. On the one hand, this procedure caused natural resistance and ultimately lack of trust among members of the other participating social organizations, which was one of the reasons that eventually led to the decision to decline the partnership proposal at the moment and in the past as well. On the other hand, when presenting incomplete propositions it may cause confusion and misunderstandings among other organizations. Observing colleagues and other organizations were completely failed during the creation of partnership. Managers of the smaller social organizations had less information about the present situation and partnership patterns overall than the researcher had after a few days in the field. When operated as mentioned in the last sentence it cannot lead to successful and long-lasting cooperation, nevertheless partnership.

It was surprising how identical opinions a majority of the interviewees had about the necessity of partnership with other social organizations in the Upper Savo region. Possible partnership was experienced as a good development which would mainly have

positive effects on their own organization, financiers, paying and final customers. This is in contradiction with the fact that some of these organizations just recently turned down the opportunity to participate in larger cooperation and partnership with some of the social organizations in the Upper Savo region.

The most confusing finding was that some of the superiors that have been establishing cooperation in the past and recently between other social organizations had little knowledge about the basic meaning of partnership, cooperation, trust building and trust overall. I question myself that was there enough competence among these people to understand bigger concepts and make decisions about possible cooperation when basic things are lost. According to the interviewees there should be a mutually shared language in all meetings and trainings in order to make it possible for everyone to understand what is talked about to avoid misunderstandings. In this context mutual language have the meaning that everyone would understand the terminology that what is being used in meetings and different official documents. However, based on the interviews some organizations had and still have the wrong people creating trust and cooperation between other organizations, because some people are just not meant for it and that should be acknowledged in these participating organizations.

The findings of the present level of trust between the organizations are controversial because of the qualified answers by the interviewees. Only half of the interviewees provided honest and genuine opinions. The advantage of recorded in-depth interviews is the chance to focus on the body language and voice inflection of the interviewees. During the interviews it was noticeable and obvious that some of the interviewees were cautious about what they said and therefore provided vague answers. The interviews revealed that there is still more competition than cooperation between the organizations and these mental images should be demolished before a future partnership. Interviews also revealed that the lack of partnership is equally the fault of the establishing and declining parties.

As a whole the research provided an important channel for the interviewees to reveal honest and genuine opinions as well as the opportunity for self-examination of the importance of trust building when establishing partnership or any kind of cooperation. This research was a necessary way to assist these six social organizations to proceed in the path of trust building and partnership. This will also provide them knowledge and



different sources about the concepts of partnership, trust and trust building. The outcome of this research is that with proper trust building there could be established successful and long-lasting partnership between all the six organizations among other social organizations in the Upper Savo region. As to the interview questions they were repetitive which created open conversation and diverse answers. The interview questions could have been more accurate and clear but during the interviews I noticed that completely opened questions provided more time to the interviewees to prepare and fully understand what was being asked without the chance to hesitate.

## 6 CONCLUSIONS

### 6.1 Previous Research

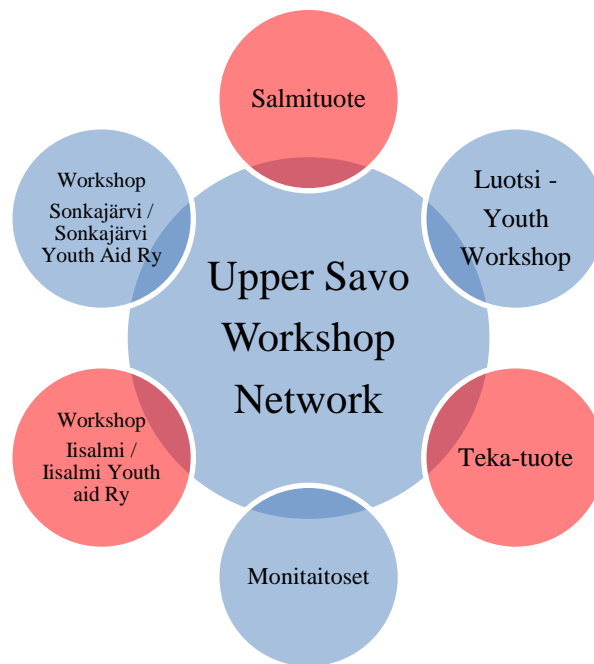
The purpose of this chapter is to provide a bridge from the past to the present situation. This chapter will also provide information about the previous projects, research and surveys that affected on the choices which were made in the past and this research. The conclusions chapter will provide further discussion about the recommendations and solutions to the upcoming topics of this chapter.

Etappi - project was the kick-off towards cooperation between social organizations in the Upper Savo region. Before the project there had been some cooperation between the social organizations but nothing systematic and organized. Naturally other previous projects, employment programs and individual parties had their role in this process but the concrete initiative move was made by Etappi - project. One of the objectives of Etappi - project was to develop and create cooperation between social organizations. In the beginning of the cooperation process Etappi - project set up a survey in January 2009 which pointed out that there was a true demand for project such as Etappi to escort these organizations around the same table. One of the reasons behind this need was the fact that awareness of other social organizations had deteriorated during the years.

Etappi - project escorted all these six organizations around the same table and introduced them to each other. The follow-up of these meetings was another survey (Komulainen 2009) which purpose at the time was to map out the need and overall interest of social organizations towards workshop network in the Upper Savo region. Majority of the organizations stated in the survey that trust building is one of the most important factors in successful cooperation. The result of this survey was a kick-off for Verka – project which purpose was to develop the idea of workshop network through mutual training program. Participation during this training was active and in its entirety the training program was able to increase awareness and openness between the organizations. After the training program the actual work towards network or partnership started in a form of foundation. The foundation idea evolved from the past and previous report from 2004 (Saarivainio). Since the beginning to the end of the process only very few employees from these six organizations really knew that what

was going on. Now when everything is public and no longer behind closed doors there are only three organizations left that are taking part of the foundation.

The figure below demonstrates the six non-profit social organizations that were meant to establish together a workshop network in the Upper Savo region. The three organizations that are highlighted with red color are part of the foundation that will start to operate in January 2013. All the previous report (Komulainen 2009), development training (Verka - project) and goals of Etappi - project refers to this model.



**Figure 5.** The Upper Savo Workshop Network

As mentioned before all the previous research and this research points out the fact there is still a true need and willingness among the organizations to cooperate with each other as long as it is done in mutual understanding. The in-depth interviews of this research discovered among other things that trust building, openness and awareness are the key success factors in partnership.

## 6.2 Conclusions

The objective of this Master Thesis work was to discover and analyze the importance of trust building in the creation process of partnership. This chapter summarizes the most

important conclusions that are based on the in-depth interviews, personal work experience of the researcher from the third sector and the theoretical framework of trust, trust building and partnership.

The reasons that caused the lack of trust and missing partnership between social organizations in the Upper Savo region were mainly related to the lack of openness, respect and observing of others. Moreover, trust and trust building related issues were not considered or planned in the designing phase of partnership.

There are plenty of reasons why previous projects, trainings and other cooperation attempts have failed. One of the main causes of failure in previous attempts is that the focus has been on establishing the rules and terms of partnership instead of demolishing first the suspicion, rumors, prejudice, competition and other negative factors of the emerging cooperation. In other words, “the foundation of the house must be stable before one starts to build the actual house”. In this case the meaning has been good but means poorly planned if not at all. However, trust is not built in one day and building trust requires a long-lasting and active participation of all parties. In the past one of the six organizations has not participated in any way into cooperation. They have purposely defaulted themselves on all previous trainings, meetings and other gatherings by pleading into various reasons. During the interviews it came obvious that the reason behind this behavior was a lack of interest towards cooperation. Their opinion was that cooperation with others would be waste of time, energy and resources. A lot of work needs to be done in order to establish genuine trust between all social organizations in the Upper Savo region.

Based on the in-depth interviews the smaller organizations are afraid of their own authority and basis of funding's when in cooperation or partnership with bigger organizations. They particularly afraid to lose their own judgment in different customer related occasions and the overall decision making process into Iisalmi. I consider that there is no need to be afraid because the funding is based on the amount of customers and services that are yearly provided in each organization. Cooperation would only have an increasing effect on the amount of customers because it would give the opportunity for widening services with the help of other organizations. At the same time all these organizations recognize this opportunity but still they are suspicious. All the managers and other employees in these six organizations could consider thinking about the

common goals, vision and their purpose in this society instead of thinking their own status. The meaning of their existence is to help people and what would be a better way than partnership where to share services, know-how and resources.

The structure of the partnership was also one of the concerns. The interviewees feared that the partnership with several organizations would make them clumsy and slow. In other words, they would no longer be able to make fast decisions at a single organizational level. So far all the operations are falling down on a few people, mainly on the shoulders of the managers in each organization. I consider that the partnership would improve the situation instead of making it worse. The managers could focus on their core operations, development work and running the organization instead of taking care of everything. The interviewees believed that it would only have positive effects that some of the operations e.g. accounting and marketing are centralized in one location.

Trust building, openness and awareness as a whole were aimed to the wrong direction in the establishing phase of the cooperation. The two main cause of distrust were that the strategy and plans of the partnership and foundation were too premeditated and the trust building was started from above instead of bottom. In the bottom are the actual employees that are taking care of the daily routines in the social organizations and in the above are the administrative authors from the city council. The actual cooperation and trusting in each other happens on the field while doing those daily routines. The whole process and presentation of the cooperation should have been started from the bottom and after that the process should have continued to the administrative level in cooperation with the employees of that specific social organization. This would have built trust not just between the employees but also between the organizations.

As a summary, the reason for the lack of trust and trust building has been the tight schedule. Haste towards partnership and bigger regional foundation has caused confusion and uncertainty among employees in each organization. The planning phase of partnership has been made mainly behind closed doors or the communication concerning the involvement of other organizations has missed completely. Also the points of views and opinions of other organizations were not systematically listened to and taken into consideration. The lack of consideration is a reason for the lack of trust which leads into the absence of partnership in this stage. On the other hand, the

representatives of these organizations who were interviewed stated that they could have been more self-imposed and influence these matters with their own activity. As was discussed previously, a transparent solution to build a firm basis of trust before partnership could have been social gatherings, meetings and other formal as well as informal events. In these events the managers and employees could have thoroughly familiarize themselves with other colleagues and demolish all the disturbing factors of partnership, such as prejudice, rumors, competition and other differences in perspectives.

All the organizations agreed on the fact that a partnership or cooperation of some sort needs to be established between all of them in near future to ensure competitiveness, working order and quality of services. At a fact they all have the same purpose, goal and vision to provide help to their customers in order them to go forward in their lives.

### 6.3 Suggestions for Future Research

The results of this research indicate a number of opportunities for improvement that partnership or regional foundation would provide to the social organizations. The research also suggests that there is genuine willingness for partnership and cooperation among all these six social organizations. The next stage would be a fresh start by gathering all the organizations around one table for open conversation and for updating the present situation. This would not solve the situation completely but it could help the process of cooperation in the long run. After a period of time, it would be advantageous to evaluate the trust building process, in order to analyze whether the direction is right. Strategic improvements should be made on the way whenever needed.

The future research areas could be for example how these organizations have managed to build trust among each other and how important the role of trust has been in the process of establishing partnership. At the moment uncertainty has swept the level of trust to the rock bottom. It would be interesting to study how this course was or will be turned into better direction before the next approaching negotiations of partnership, which will happen sooner or later in near future. The suggested future research study would provide to the social organizations the ability to genuinely focus on trust building and creating and enhancing strategies. Other future research studies could be seen as what has been accomplished with the trust building and partnership. In other words, one

of the research questions in future studies could be for example what have been the benefits of cooperation and trust building in each organization. The research could also include the question of what have been the concrete benefits of partnership for the final customers. A suitable time for this research would be a year from now.

The future research studies around this topic are recommendable, in order to discover if there is any progress made because it is the advantage of every tax payer that these regional social organizations are as effective as possible. Allegedly, cooperation between social organizations would not just save tax money but also improve the customers' quality of life.

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## APPENDICES

### Interview questions

*The purpose of this interview is to make the respondent think new possibilities, outcomes and perspectives that partnership could provide for them and to other non-profit social organizations in the Upper Savo region. The interviewees are expected to be innovative and think “out of the box”.*

1. What is a successful co-operation in your opinion?
2. How do you explain trust between social organizations?
3. In what ways trust could be built between organizations in your opinion?
4. SWOT – analysis:
  - What strengths could a partnership provide for your organization?
  - What weaknesses and threats partnership could bring to your organization?
  - What opportunities could a partnership provide for your organization?
  - In what ways could threats and weaknesses of partnership be turned into opportunities in your organization?
5. Is there trust between social organizations in the Upper Savo region? If yes, what kind of trust?
6. Which workshop units in the workshop network do you think are the core partners from the perspective of confidence and business know-how? Please, identify one of the elements that make you trust to this specific partner?
7. Trust between subscribers and producers is in an important role when building a partnership between other social organizations, what kinds of mechanisms could assist in building and developing this mutual trust?

8. In what ways in these kinds of circumstances when establishing partnership could the employees be motivated to share information and trust each other in a partnership with another organization?
9. What would be the benefits and threats of a partnership between social organizations for paying customers and end customers?

The paying customers here are such as, Employment and Economic Development Office, Kela – The Social Insurance Institution of Finland, Centre for Economic Development, Transport and the Environment and counties/cities, while the final customers are such as unemployed, handicapped and school dropouts?

10. Supported employment services in all social organizations are to a large extent financed from public sources that are channeled through various appropriations. What kind of vision does your organization have as a socially responsible service provider?

## Haastattelu kysymykset

*Tämän haastattelun tarkoitus on saada vastaajat miettimään uusia mahdollisuuksia, näkökulmia ja vaihtoehtoja, että mitä kumppanuus voi tarjota heille ja muille sosiaalisille yrityksille Ylä-Savossa. Vastaajien odotetaan olevan innovatiivisia sekä ajattelemaan ennakkoluulottomasti ja luovasti.*

1. Mitä toimiva yhteistyö tarkoittaa mielestänne?
2. Miten ymmärrät luottamuksen sosiaalisten organisaatioiden välillä?
3. Millä tavoilla mielestänne luottamusta voidaan rakentaa organisaatioiden välille?
4. SWOT – analyysi:
  - Mitä vahvuuksia kumppanuus voi luoda teidän organisaatiolle?
  - Mitä heikkouksia ja uhkia kumppanuuden voi tulla teidän organisaatiolle?
  - Mitä mahdollisuuksia kumppanuus voi luoda organisaatiollenne?
  - Millä tavoilla heikkoudet ja uhat voidaan kääntää mahdollisuuksiksi organisaatiossanne?
5. Onko sosiaalisten organisaatioiden välillä Ylä-Savossa luottamusta ja jos on niin millaista?
6. Mitkä työpajat koet mahdollisiksi avain kumppaneiksenne luottamuksen ja osaamisen näkökulmasta? Voitko tarkentaa mikä saa teidät luottamaan juuri tähän kyseiseen partneriin?
7. Luottamus tilaajan ja tuottajan välillä on todella tärkeää rakentaessa kumppanuutta sosiaalisten organisaatioiden välille. Millaisilla mekanismeilla tätä yhteistä luottamusta voidaan rakentaa ja kehittää?
8. Miten tällaisessa ympäristössä/tilanteessa kun luodaan kumppanuutta, saadaan työntekijät motivoitua jakamaan tietoa ja luottamaan toisiinsa kumppanuudessa toisen organisaation kanssa?

9. Mitkä olisivat kumppanuuden mukana tuomat edut ja haitat maksavalle asiakkaalle ja lopulliselle asiakkaalle?

Maksavat asiakkaat tässä tapauksessa ovat mm. TE-toimisto, Kela – Kansan Eläkelaitos, ELY – Elinkeino-, liikenne- ja ympäristökeskus, kunnat ja kaupungit, kun taas lopulliset asiakkaat ovat mm. työttömät, koulun kesken jättäneet ja kehitysvammaiset.

10. Pajatoimijat tuottavat erityistyöllistämisen palveluita suurimmaksi osaksi julkisista lähteistä kanavoituvilla määräraharesursseilla. Millainen näkemys teillä on yhteiskunnallisesta vastuusta palveluntuottajana?

## INTERVIEWS

This appendix contains two samples of the participant interviews. In this interview process, the line of questions concerned about the role of trust building in partnership. Altogether 19 people were in-depth interviewed from the six participating organizations. Separate conclusions concerning the role of trust building in partnership were derived from the data.

### PARTICIPANT 1 DATA

#### IMPORTANCE OF TRUST BUILDING IN PARTNERSHIP INTERVIEW

Interviewee: Mrs. Anne Rytönen

Luotsi - juvenile workshop, executive manager, Kiuruvesi

The interview was held in participant's meeting room in Kiuruvesi, at 10:15 am between 11:00 am, September 20, 2012. The interview proceeded on a structured path defined by the preliminary opening speech set used by the interviewer to assure coverage of the topics of importance to the researcher. Participant 1 gave very open and honest answers to the questions and kept the discussion quite well on track.

#### 1. Question

**What is a successful co-operation in your opinion?**

*Successful cooperation means that all the parties that are working together know each other's operations in some extent and there is a common goal which is being worked for.*

**Do you feel that they all know each other's operations?**

*Yes, there exists knowledge because we all participated to the development trainings of Verka-project. There was provided information and we have been working in each other's facilities, but there exist only very little practical cooperation.*

#### 2. Question

### **How do you explain trust between social organizations?**

*All the work that is done is based on trust, meaning that you cannot cooperate with an organization where is not recognized or trusted the other party. It means that without trust the co-operation cannot work.*

### **How does it look like at the moment?**

*I consider that we are cooperating and working together only in very limited number of cases. At one stage things were better when we were in the Verka-project. At the moment, I feel that we are really alone and just doing our own work.*

## **3. Question**

### **In what ways trust could be built between organizations in your opinion?**

I consider that the joint trainings and getting to know the staff of other organizations is really important thing. At some point we had together that kind of joint training days, informal social gatherings or casual days. When we learn to know each other, we learn at the same time to trust that other person's way to work and there the common trust starts. If there is no names or faces it is quite difficult to cooperate nevertheless trust on that other person that what ways the cooperation is done, is there only wanted to take advantage or benefit the others know-how.

## **4. Question**

**The fourth question is a "SWOT" analysis. Whenever is created cooperation, partnership or any of such foundation, it includes these four elements: strengths, weaknesses, opportunities and threats. What strengths could a partnership provide for your organization?**

*The strength is that we would get our voice heard. Together with bigger actors we would receive creditability and a way different kind of valuation and also there would be most likely more money to spend and operations on better ground.*

### **Is there weaknesses?**

*Weakness is probably that the operations would be centered to Iisalmi. There should be taken into account the fact that what happens in Iisalmi it does not necessarily occur the same way here in smaller counties. Small counties Kiuruvesi, Sonkajärvi and Pielavesi are in totally different situation than Iisalmi, so the weakness is that the operations focus too much into Iisalmi.*

### **Can this weakness be turned into positive asset?**

*It could be probably turned into asset in a way that there would be movement between workers, materials could be purchased together or develop some things forward together. In a way this big organization could bring benefits to us as well by allowing us to influence on matters. It depend quite a lot of the organizational structure and who are the people working there, that how these small counties participate to this and how are they taken into account. Therefore at our policies can be quite different.*

### **What kind of threats there could be to your organization from partnership or foundation?**

*I can see it as a threat that if there are different procedures. We have different perspectives on various matters compared to the bigger players. For us euros and money are important, but for us even more important the customer relationship and customers. We think of them in a different way. We have a vision that when the young person gets into education, work or an internship it is felt like a work victory and that is also in other ways really important for us. We don't consider that the most important thing is some sort of product that we need to get into the market and pay high price or receive from our customers a high price of it. Maybe we have different opinions in these matters. There is a risk of course that we stuck here as a small player here and then the big actors compete some actions, materials or other things and we are not involved in that process. We could be soon in a situation that we won't get our voice heard no longer and it might affect to the entire operations if we are not involved in any way. Customer relationships are seen in different ways. It is also a threat if we focus too much in Iisalmi that the local services would disappear. It would be really harmful*



*thing to the youth workshop because solely the travelling to Iisalmi is a big threshold for a lot of the young people. So it is a threat and bad thing if we lose or “pinch” these local services.*

**What kind of opportunities partnership could provide to your organization in the long run? What it can create from 1, 5 or 10 years from now?**

The possibilities are when we find out the shared opportunities. We made a solution or our Education and Culture Board made a decision that we won't participate to the foundation. We are a workshop that is operating under the youth services, which is completely different type of player than the other partners and we are also funded by the city so these are kind the good things that we have. We cannot just act alone; instead we must work together in some level with the Foundation or partners. All of our basic principles are similar and we share the same target groups; young people and the long-term unemployed. This works as a red string that we get forward with these young people, or whatever age of people, is that they come to work and their management of life remains. In a way the master plan exists. I think that there should be more cooperation than we have at the moment in individual coaching, material supplies or even in the management level. In other words there should someone developing this whole partnership process as it was done by Verka-project because since the project was terminated we have been on our own again but until that we did a lot development work.

**Do you feel that Verka-project was left on the halfway?**

*Yes. It's a pity that the project did not continue. We were having a good pace and now when the project ended we back again in starting point A. But it was useful in a way that now we know the faces and each other. Other than that since the project it has not been visible in anyway in this basic weekday work.*

**What was the reason that there was no follow-up in Verka-project?**

*I think that it was the financing. They sought for further funding but it was not granted by ELY Centre.*

**Alright. There have been all kinds of rumors.**

*Yes, it could be, but I think it was the financing. We reached ahead several years during the project, but then if there is missing that one conjunctive factor, so I feel that it could be the opportunity for this partnership and foundation. Even though we are not all part of the foundation, I feel we should still develop this cooperation together. I consider that the management of the foundation or the manager should take a similar role like Verka-project had. Develop the cooperation of the entire Upper Savo region.*

**It seems that there will be some sort of development manager in the foundation or similar title?**

*Yes, it would make sense. In some point we got so far in our conversations that we would have joint websites and potentially store in Iisalmi where would be sold and advertised products from all of the workshops. There could visit our and others young customers and work coaches. We reached to quite good point, but then somehow it all kind of stopped so it definitely needs someone to take the control. When we arrive to our work office the official work takes all the time we have. We don't have resources to the necessary development work, which is really important.*

## **5. Question**

**Is there trust between social organizations in the Upper Savo region? If yes, what kind of trust?**

*Tough question.*

**Your honest opinion?**

*I'm not sure is there. Can I respond this way? On the one hand yes there is, if I need to call someone in these organizations, I believe that would receive assistance to my own work, finance figures, product development or something else. If we don't manage something, I can always call and ask that the others have done it. I believe that I can trust to the received answers. But then on the other hand there is not trust. I feel that it is perhaps some sort lack of respect towards smaller workshops. We can't fully trust*

*that if we agree something together that it will actually go that way or will the bigger actors eat the smaller ones. I have little two-folded feelings.*

**So in a way the trust is personified between certain people?**

*Yes, yes.*

**Basically it means that if the certain person would leave the organization there might not be trust at all?**

*Yes, that is true. We work together a lot with certain people, we call each other and we share news and purchase materials. For example our metal workshop purchases materials from Kehypaja. But if the certain person would leave the place it might fall into nothing and then trust would need to be established from the beginning with that new person. Or it would be the same situation if they cooperative in the level of individual coaching.*

**Trust between people rather than organizations?**

*Yes, exactly.*

## **6. Question**

**Which workshop units in the workshop network do you think are the core partners from the perspective of confidence and business know-how?**

*We cooperate with Pielavesi and also our detective youth work seeks young people to the workshop. Between them we have immediate confidence and also in individual training but they also visited us and we have visited them. With Sonkajärvi we have been a long-time partners meaning that we can ask whatever and help is always provided. We have worked together for so many years that it is easy to approach one another when the basis of trust is established. I believe that in these small workshops we think in a similar way because after all we are all small actors. Also with Kehypaja we have good cooperation that is based on individual persons. With Salmituote we don't have any cooperation.*

**What makes you trust to these specific partners?**

*We know each other, we have been in joint trainings and we have familiarized with each other elsewhere than just at work. It might be the mindset that we have so similar in small workshops and then, of course, with Kehypaja the cooperation has strengthened since one their employee started to work for us as a permanent work coach. That co-link was sort of established last fall when this worker started working as a work coach in our woodshed.*

**Who is he?**

*Veli-Matti Riipinen.*

**I am sure that we have met.**

*He kind of brings this kind of cooperation that young people from Iisalmi can visit in our facilities and we can likewise guide our youngsters that are not with us to visit them in Iisalmi. Detective youth work is cooperating with all the counties, but that is a little bit different thing.*

**But in a way in detective youth work the employees are in the payroll of specific organization?**

*Yes.*

**Apparently, it has worked pretty well?**

*Yes it has.*

**7. Question**

**Trust between subscribers and producers is in an important role when building a partnership between other social organizations, what kinds of mechanisms could assist in building and developing this mutual trust?**

*You got difficult questions. Um, well. I was wondering that we all sort of have different opinions about the purchaser-provider model that we have been designing and developing during the training. When we talk about the purchaser-provider model, we have seen so many models of it here in small workshops. Our number one product is that young person which we try to ship forward as expeditiously as possible and in a short period of time with the readiness to move forward in their lives. Whether it is studying, work, or whatever it might be. Then there is also the secondary product, which is at the same time main product which is customer service. That is what we are best at. I feel that we are talking about different matters when we are with these bigger actors. Even though we talk about things in different way, we have reached quite close to each other with really long conversations. We see things from so different perspective and if those perspectives are really different then I don't know how that trust can be improved when we think so different ways. Sometimes I feel that our model is being underestimated. We have also performance goals set like bigger actors but in smaller scale of course but they still look down to our model that we are setting the young or other customer as priority number one. We invest to the customer, individual and work coaching. In this point of views we are pretty far from each other. I am not sure that did I answer the right way to this question.*

**So your main client is the city / municipality?**

*Yes.*

**When there is partnership planned alongside to that and you produce together with your partner these same services to the city or county, what kind of mechanisms and ways this mutual trust could be build and developed?**

*Well, now I understood the question. I did not understand it before from that angle. Well I feel that the only way to build partnership and trust is to share the same service. It means that if we provide individual coaching it needs to exactly the same in each workshop. Therefore we need to complete our product packages. We have been planning them already but now they are in hold. We got something ready that what it could be the individual coaching whether it is in Sonkajärvi, Pielavesi or Iisalmi. We need to ensure that everyone has the same service so that in principle we could also purchase that individual coaching for example from Kehypaja and in that point we need*

*to know what is being included in that service. Of course the service has a price tag but it is the service that needs to be opened. I feel that we have not proceed far enough but after all it only requires us to sit down and focus together that what is the content of individual coaching when it is being sold to others or purchased from others. We all need to have clear picture what it includes and what is work coaching in general. If our woodwork coach would work in Sonkajärvi workshop, we need to know what it holds in. So these things need to be clear to us and trust that others will take care of them as well and that the quality of the service is good. Then it might work and I think this is the way we are heading in future. Resources are what they are so it should be really. In some stage we were talking about work circle that our work and individual coaches could work in different workshops and see how things are being done in other organizations. That is one of the things that could be developed.*

**If Verka-project would have continued, this probably would have been the next step?**

*Yes, definitely. Even though we are a small actor by ourselves, we can't afford to stay aside or left alone here in Kiuruvesi. We need to be part of the development work and somehow I have high expectations towards the foundation that there will be some sort of development manager, which one of the job descriptions would be the developing of cooperation in the Upper Savo region. Because we all do the same work even though in a little bit different ways.*

**Time will show. One good thing is that Teka-tuote will become part of the foundation which will automatically increase its operations in Kiuruvesi. Then it is also easier for Luotsi to cooperate with the foundation?**

*Yes. I think it is a good thing that Teka-tuote becomes part of the foundation because it is separate player from us. Of course we have some same customers and we have also guided our customers to Teka-tuote. We have had cooperation in that extent that if we cannot provide some service we point them to Teka-tuote. I assume that Teka-tuote has been really alone as well because they were not even in the Verka-project. Good that they take part of the foundation.*

**Esa Saarivainio is selected as the director of the foundation.**

*So he will be the manager, like I said before that I'm quite lost in this foundation matter, so it is good to know. Now it clarifies the situation. This is what we know at the moment.*

**Yes, obviously there has not been that much communication?**

*No there haven't.*

**Obviously this could be improved.**

*We do read newspapers but most of the information is coming from or through Harri-Pekka. He is some sort of spokesman even though it is not his role but he informs us the most.*

**It's kind of bizarre even though Luotsi denied the opportunity to become part of the foundation?**

*Yes, exactly.*

**But, however, Luotsi has been part of the process all along?**

*Yes.*

**You become part of it and maybe you are involved with it in the future and yet you know so little?**

*Yes, that is true. We are little bit left aside. I've been thinking that whether it is question about our own activity that we should be more active. It is lot of times difficult when you do your daily routines one easily stays there. We do call each other quite a lot with Sonkajärvi and Pielavesi but we have never talked about this foundation thing.*

## **8. Question**

**When there is established this kind of partnership, how do you feel that in environment and situation like this also the employees could be motivated to share information and trust other partners?**

*If we participate to this cooperation thing and foundation, I believe that we will be some sort of partners. At least this is the way I feel and think about this. I consider that the managers or whoever is the manager of the foundation has a huge role. First of all to ensure that small and big actors have equal roles. It is really important to do the marketing in a right way and how these organizations are being welcomed and taken part as the foundation and how trust is being built. I believe that the only way to build trust is that the people will meet each other. From personal experience I can say that even though you have been in contact with someone over ten times by phone it is lot better to talk about things face to face because then there are established immediate contact to the other person. You become familiar with the other. It doesn't need to be long meeting instead it's a question about building the team spirit. The faces become familiar and there can be exchanged some thoughts. In some point we were thinking about special trainings or info package for the individual coaches in all workshops. It was forgotten for some reasons but that is one the things that could be post ahead. Let's collect together all the woodshed work coaches and let's see what they have been doing and what are their products. They could familiarize to each other's workshops and see that in what extend they have operations and what kind of facilities. This would be that exact grass roots level cooperation. Secondly individual coaches could develop their work by joint trainings. In the managerial level people should know other managers tasks and job descriptions. And there is the communication. We need to be active. In this age you see that when you're not active and neither has been the other party, we turn out to be completely lost. We have successfully been completely lost.*

**Yes.**

*Yes, it is bilateral. I believe that not just the managers but also the other employees in all levels need to work together that trust would be accomplished between them.*

**Yes.**



*That's where the trust begins. No competing with same products and also steering of customers in to other organizations when there is not possible to provide that service. It should be honest and direct cooperation and that's what we should strive towards. We are not competitors and the young people should be able to be transferred from workshop to another. Some of our customers move in to Iisalmi and they might quit their studies and then they get lost and together we should find them and provide the service they need. It should be this kind of practical cooperation.*

**Do you feel that the social organizations think each other as competitors? Is there still such a climate?**

*Probably. At least during those trainings in Verka-project, there was some sort of competition between Kehypaja and Salmituote. That is how I observed and felt it from the side. Somehow I felt that Pielavesi, Sonkajärvi and we are little bit further so therefore we didn't feel like participating to that competition. Nevertheless we're all quite introverted workshops because we all feel and do this work with great passion. What I have talked, called and other stuff done with these organizations they all feel that their workshop are doing these things in a better way than the others, but it doesn't necessarily go that way. But, yes there is some sort of competition and of course the constant competition of funding's. Good example is that we went together in same ride with Sonkajärvi and Kehypaja to ELY-center in Kuopio to talk about our funding. We all did separately our best to get funding for next year which causes automatically competition. We all did our best to receive money.*

**And in the car you most likely didn't talk about that, what you are going to say?**

*Yeah, we really didn't talk about those things. We were just talking about this and that. And then we all went there one by one and after that we still fit to the same car. We all received quite good funding for next year like year before. We have done this same for several years. There are kind of competition but on the other hand I believe that we all appreciate each other's work in a certain way and therefore the competition is not like it could be in real business world. At the moment we all fit to the same car. There will be difficulties in that foundation but it all boils down to Esa and Kyösti, that how well they are able to market the whole foundation. They are the two crucial factors, which*

*have in the past disagreed about some things but I believe that both of them have made compromises, that there has been able to establish “golden path”.*

**At least it seems that they have reached into mutual understanding. I also agree with you that during Verka-project there was more competition than cooperation.**

## **9. Question**

**What would be the benefits of a partnership for the paying/subscribing customers and end customers?**

*Well uh, that is probably the advantage that the customer would receive the service from local area. If we are not able to offer such a service as a small workshop to our customers, we can then direct them to another workshop or at least work together in order to establish that service in that specific county. For example if we don't have enough resources in individual coaching we could purchase that service from another partner. Availability of services is important that we don't need sell “no” nowadays.*

**Is there any disadvantages?**

*I don't know. I don't think there are any disadvantages; well of course, if we are forced to transfer or move that young person. For some of the customers it is difficult go elsewhere. Of course it depends on the person but for most of youngsters Iisalmi is too far away. For example if we steer our customers into Aurora in Kehypaja, it is a huge threshold to go there. Distance, poor public transports with few buses and early weakening's at seven o'clock are too much for many youngster. It makes it difficult especially if the early weakening's are difficult or the overall control of life is little bit lost. On the other hand if we could provide that service locally, I believe that there would not be any or perhaps not at all disadvantages. Partnership would be only a positive thing to our customers. After all the customers are the ones who will make the final decision that do they participate or not.*

## **10. Question**

**Supported employment services in all social organizations are to a large extent financed from public sources that are channeled through various appropriations. What kind of vision does your organization have as a socially responsible service provider?**

*Ah. Well our finance is quite interesting because our workshop receives government money / government grants, but also money from the county or city. And we also receive funding from the Ministry of Teaching and Culture, so our funding consists of three main factors. Personally I have felt the past few years that our responsibility is quite big. We produce certain type of service which has also in order the quality criteria. I've been thinking that we need to stick in those goals that we put to different applications. We on a demand basis which means that if there is demand and we can reply to it, our funding is secured. If we are not able to respond to the demand it might lead into cutbacks in funding. So therefore we are kind of engaged to the funding that we have and we need to observe and think a lot that we are able produce and offer decent service. There are a lot of indicators that we need to follow constantly. The responsibility is huge. I feel that if we are not able to take care of our own thing, we might not receive funding in that extend that we were expecting and then our customers would end up suffering from that. Our services are the youth work, basic youth work, detective youth work and then we have the workshop, so altogether we have eight people working here. We have a huge responsibility with Hanne to finish these applications to ELY. I won't be doing them alone. We also fill together the applications for the Ministry of Teaching and Culture. So our responsibility is to apply these funding's, go to be heard and I will of course take care of the finance. I kind of take care of the financial things and Hanne has helped with the text part. We build our budget in a way that if there appears bigger changes by the government, we can react to them. If there would be cuts in our funding's, we really need to consider the options to cut employees or/and shut down facilities. Basically we are fully dependable with these funding's. From that point of view as well my responsibilities are really big. Then we have also four temporary workers that receive their salary from elsewhere than the city of Kiuruvesi. Accountant told us that, "it is a huge thing and first of all responsibility to think those indicators when measuring the quality and affectivity of our services because we need to report our activities constantly to the ELY and Ministry of Teaching and Culture. Then we are able to see that when we have succeeded and when the quality is in order. If it is not ok and it has not been measured and we have not been able to*

*stick with our goals, we would not receive our funding". The quantity needs to be the same each year. For the ELY funding is required annually at least 45 youngsters. If they all return back to employment bureau it might affect to our funding's. We need to have results that what percentage starts education, work, practical training and so on.*

**What has been the circulation in recent years?**

*Ah. Last year it was about 42 youngsters and three of them were in rehabilitative work, which means that they have 2 or 3 year contracts. It means that they execute the ninth grade. Last spring one 25 year old woman graduated from our workshop and two young men are currently executing that same degree. We cooperate with the school of Raudaskylä, which is a Christina college. They execute their studies over there and in our workshop Hanne is the one who is helping them in their assignments and in other stuff. Last year the average time that the youngsters spent in our workshop was 2,3 months and that is a quite short period of time. Our percentages were really tough. A lot of them received position in work or education. Hanne has written down all these figures because she is responsible of the daily routines of our workshop. Like I mentioned results were really good. We were visited and we received really good feedback from our superiors, which we have succeeded in our work. We have had the indicators whole time that what we are doing and so on. We were really pleased but it depends a lot of the year that what kind of contracts we have, what is the level of our customers and also what kind of goals there has been set to us in the budget. Some of the youngsters in our woodshed have come right after high school or they are dropouts from technical schools and they have life control, intoxicant and other mental issues. Therefore they are not able to produce any concrete products in the woodshed. It is more of a polishing of products. The condition of these youngsters is directly comparable with all the funding. In what condition they are when being arrived to our workshop and then we should get them into work or education when their control of life is a mess. This is exactly the same, what is being done in all workshops. But we have that specialty that our customers are only young people.*

**Yes. You have specialized on them.**

*Yep.*

**Do you have something to add, any questions or comments?**

*Well, I would like to add, that it would be great to establish cooperation because we don't want to be a small actor on our own. Instead everything that we accomplish together is only positive to us especially if we would become partners with the foundation. I've been thinking that even though our committee decided not to join the foundation, it doesn't mean that it is excluded that we will never be part of it. There have been big changes and upcoming municipal merges that I can't say exactly when but someday we will be part of Iisalmi, the Upper Savo County or whatever it will be. Therefore we need to think these things lot further. We are quite far ahead in these topics with our staff. We have discussed that who would possible seek for the upcoming manager position if it would become open in the future. We have to keep our doors open. In the future we might be in a situation that it is the only option to be part of the foundation to receive more volume. It is our employee's opinion that we proceed like this for now. We shall listen and see what happens. We shall see that will this foundation become so big that we have no longer access to the market or even to advertise our services. They are most likely able to produce some services in a cheaper than we, at that stage these things need to be discussed.*

**Yes, those things definitely need to be discussed.**

*Yes, exactly.*

**It requires honest conversations?**

*Yes, that is the way.*

**Well in six months from now we are wiser.**

*Yeah. Well you never know. We can always change our mind. The city council decided that we stay independent at this stage, but if we become part of Iisalmi it is a whole different situation again. We can't just think that we will stay like this forever. If the government and ELY would cut down their funding', then it is really possible that we have no other alternatives than participate the foundation.*

**Yes, that's true.**

*I can easily transfer my staff to Iisalmi because most of them have either lived or worked a long time in Iisalmi. Our employees are well-informed and are willing to work wherever. As long as the salary is paid it is not that much dependent on the employer. Few of our employees worked as a temporary worker for 11 years before the city of Kiuruvesi regularized their vacancies so they are used to a lot of things. They don't get scared about small things. But we shall see what happens.*

**Time will show us. Thank you for the interview.**

*Thank you. It was a tough one.*

Duration: 42 min 35 seconds

## PARTICIPANT 2 DATA

### IMPORTANCE OF TRUST BUILDING IN PARTNERSHIP INTERVIEW

Interviewee: Mr. Esa Saarvainio, Salmituote, executive manager, Iisalmi -> Chief executive officer of the Upper Savo TOIMI – work coaching foundation, the foundation will officially start to operate January 1st 2013.

The interview was held in participant's meeting room in Iisalmi, at 9:07 am between 9:35 am, September 28, 2012. The interview proceeded on a structured path defined by the preliminary opening speech set used by the interviewer to assure coverage of the topics of importance to the researcher. Participant 2 gave very open and honest answers to the questions and kept the discussion extremely well on track.

#### 1. Question

**What is a successful co-operation in your opinion?**

*Open communication and the ability to discuss things without being personified.*

#### 2. Question

**How do you explain trust between social organizations?**

*If we talk about trust between organizations, it means that we can bring out our own business secrets related issues, especially when there is a common field of action and the same types of customers. When the operations are confidential, we can rely on the fact that the partner or partners will not utilize or use in a wrong way the information of another organization.*

#### 3. Question

**In what ways trust could be built between organizations in your opinion?**

*The key issue is transparency, as well as acts. Trust is achieved through acts and it is being built over the years. In trust building is no quick profits.*

#### **More action than words?**

*Yes.*

#### **4. Question**

**The fourth question is a "SWOT" analysis. Whenever is created cooperation, partnership or any of such foundation, it includes these four elements: strengths, weaknesses, opportunities and threats. What strengths this partnership/foundation will provide for your organization?**

*If we look at all of the actors in the Upper Savo, so there has been already established partnership between Teka-tuote, Salmituote and Kehypaja, Iisalmi Youth Aid Ry. These other actors who are outside of the Foundation, such as the Sonkajärvi Youth Aid Ry, however are involved in a way that they have been requested to become member to the founder community. They have been specifically requested, because they have not been active by themselves towards the foundation. Strengths are, in fact, that social organizations, work activity organizations are workshop activities are expert organizations. Its strength lies in the very fact that we have that special knowledge, which is being refined over the years. Salmituote and Kehypaja have about 30 years and Teka-tuote more than 20 years' experience in the supported employment activities, so through this experience has generated genuine partnership. Strength is that we have evolved of the changes in society over the years.*

#### **What other opportunities partnership could create in the future?**

*The possibilities are specifically synergistic benefit that arises when bigger players join together. And also we can more clearly gather together this fragmented field is. Coaching practices, production management, development projects, project operations and the development of entire activities provides a new perspective precisely through this larger "back rest".*



**Will the partnership/foundation bring along any weaknesses to your organization?**

*If you look at the foundation, its weakness could be, of course, learning out of old habits. In a way, it is also strength, that there are so many procedures. It may turn out to be difficult to get rid of these very deep-rooted practices. Then, of course, the pitfalls, if we haven't sufficiently taken them into account. Explicit weaknesses I am not able to tell you. They turn into strengths pretty quickly and clearly. What I meant is that when a variety of cultures are stitched together, then it can become through risk a weakness.*

**Are you referring with this “learning out of old habits” that these managers are specifically coming from inside the organizations. They will have to learn out of the habits of their own house in order to learn new ways. This prevents the withdrawing towards their own house and instead of this the focus should be on creating the mutual benefits.**

*That's probably a factor. I do not believe that the manager level but on the contrary the coaching field could easily fall and go back to the familiar and safe ways. This means that there is not enough capacity to take risks in personal level.*

**Is there any other potential risks?**

*One obvious threat is the fact that the resources of society are not sufficient, or the ability to purchase services. Especially getting resource for the development of new and innovative things is a challenge and a clear threat.*

**5. Question**

**Is there trust between the other social organizations and the foundation in the Upper Savo region? If yes, what kind of trust?**

*That gap has become closer and trust has been strengthened by asking other social organizations as part of the founder community such as the Mental Health Association at Louhentupa, Iisalmi Invalids, Disabled Support Association, Kiuruvesi - Varapäre, Sonkajärvi Youth Aid Ry and Sonkajärvi - Touhula. These actors have already strongly participated to the background of the community and through this we have received*

*more transparency. It is no longer perceived, that someone would be a competitor, instead we are building through these networks to the area a social welfare.*

**Has the situation been experienced in some stage more competition than collaboration?**

*Yes this has been the case, we have all tried to scrape and pick up the same crumbs. We can purely talk about the wage subsidy employment and attract of customers. Efforts have been made only to receive more deliverables and because of that the operations has become really performance centralized and who has the most customers, or something like that. Then also the work on the production side has been felt in a way that it is being followed that who gets them, and how it is being made. But now we have been able reply to that through the wider production network. We have no longer that kind of tension like we had for example, ten years ago.*

## **6. Question**

**Which workshop units in the workshop network do you think are the core partners from the perspective of confidence and business know-how? Please, identify one of the elements that make you trust to this specific partner?**

*Teka-tuote, Salmituote and Kehypaja are part of this foundation and their functions are being transferred to it and discussion has been very clear and open in the organization because it is felt that they are now part of the Upper Savo TOIMI – work coaching foundation. The staff has already internalized it. These other workshops in the Upper Savo, Sonkajärvi Youth Aid Ry and Monitaitoset from Pielavesi need support to their operations and the foundation will be in dense cooperation with these workshops in the future.*

**Based on the target organizations in this research, what is the situation of these other workshops at the moment in relation to the upcoming Foundation?**

*Sonkajärvi Youth Aid Ry is part of the founder community in our foundation and it is also intended that the foundation would support its development activities in some stage. It may be the case that the workshop in Sonkajärvi is at some point one of the*

*workshops of the foundation. The Upper Savo Rasti is a strong actor in Kiuruvesi and the foundation will start to cooperate with it.*

**There was just made a decision that they won't be part of the foundation.**

*Yes.*

**It is quite surprising that Teka-tuote and Luotsi - juvenile workshop neither has really wanted to work together, even though they have partially the same customers and same type of activities.**

*Teka-tuote has basically focused to the work activities of mentally disabled customers and the customer base of Luotsi has been youngsters.*

## **7. Question**

**Trust between subscribers and producers is in an important role when building a partnership between other social organizations, what kinds of mechanisms could assist in building and developing this mutual trust?**

*By agreeing of common rules around the same table with the key persons that are social work managers, municipalities, cities and subscribers. So, we need to find out the objectives of our subscribers and give faces to the resources that already exist there. Wage subsidized employment, supported employment, and rehabilitative work should have clear resources that it would not be just transferring of money, but there would be a desire to influence on the costs and to the lives of these people, who sort of are in the circuit of services. So, it would be understood that, who are the users, subscribers and producers of the service.*

**The client / payer are basically the same thing?**

*Yes, but the user of the service is separately.*

**Yes.**

*So, in a sense, it is understood as a final customer, who is in the rehabilitative work or wage subsidized employment.*

## **8. KYSYMYS**

**In what ways in these kinds of circumstances when establishing partnership could the employees be motivated to share information and trust each other in a partnership with another organization?**

*It is of course important that the employee can influence to their own changes. Here needs to be recognized and taken as a risk the normal mechanisms of the change resistance. It should be understood at the managerial level that the employee would also like to influence on their own work and environment. The facilities must be in order when we start making changes. It is not only the fact that the name changes in the back of your overalls, but also your physical workplace might change. Then the employer must show, in this case the foundation, that it is reliable. There needs to work the things that are considered and agreed upon. Even if the question is about some simple thing such as work activity operations, payment of wages, uniforms, overalls, shoes, computers, and all the rest that are basic things. The work facilities need to be in order. It has to be credible outside and also towards the partners, but it is also important that what it looks like from the inside. Communication inside the organizations needs to be in order and it is important that the managerial level will implement deep enough into the organization. It affects how well this change can be suppressed and controlled through the system. There are no bad questions, but only bad answers. What I mean is that this reunion has already been planned for several years, so all the folks is already aware of it. Our staff has involved very well to the process and they have wanted to influence on different matters such as the moves of workshops, developed of operations, what kind of work they would like to do in the future and how. In that sense, these kinds of things can't be hacked into the cornerstone but, instead one has to be very adaptable. Change resistance is being demolished by adaptability.*

**What are the reasons behind the previous unsuccessful attempt of foundation?**

*It was a time of big turning points. At the time there was coming SOTE – joint committee and the counties were not willing to cooperate. Some were, some were not,*

*and few of them were between. Decisions were made and there was will power, but not enough. And the fact, that there was no clear and strong partners. Now there was clear and strong partners. 2008 inquest was put in hold and when it was re-launched in 2010, we had clear and strong partners; SOTE – joint committee with four counties, social and health care services including employment and the joint committee of the vocational training, who was also a partner. The strong arrival of it brought along a clear angle to the training of these “star students” and for the implementation of partial qualifications in the workshop environment. In addition, the will power of Kehypaja and the fact that they had a desire to develop their future in bigger organization through Iisalmi Youth Aid Ry. From there arose the clear intents. SOTE, YSAO, Iisalmi Youth Aid Ry, Salmituote and Teka-tuote. This time it was built strongly around those organizations and therefore it was this time a totally different situation than in the past. It's a good thing that the previous reports were made, it helped us to provide more detailed outline and map out of the whole field.*

**So the groundwork was well-made for you.**

*Yes. Based on the previous, in this second phase we made clear and specific business plans, business impact assessments, financial analyzes, the transfer of personnel policies and other administrative factors were went through. We dug so deep alongside the sludge's, that there was not a stone left unturned.*

**Will the offices of these new managers be here in Teollisuuskuja (Iisalmi) or closer to the field?**

*This is close to the field as well, because there is our log department behind the wall. This office space is needed for administrative units, finance managers, finance people and training facilities. Coaching managers visit here constantly and like I said, the production managers are here in clear line, including recruitment, which is making contracts here all the time. Of course, project manager, development manager and the managing director have their offices in here, but we all move in the field all the time. Our entire organization is very low, and if it's needed we are very quickly at the workshop or in the production department with the other workers, as we have the substance and know-how to hold the hammer from previous experiences. It is not new for us.*

**Are the manager titles of this new foundation been divided?**

*Yes they are.*

**Are they published?**

*Yes they are public information. The staff has been told the information, signed is a managing director, financial manager is Leila Kaarakainen, coaching manager is Teija-Itkonen Brilli, production manager who is responsible for the recruitment is Väinö Lappalainen, production manager who is responsible for the premises in Iisalmi is Kari Antikainen, production manager who is responsible for the premises in Kiuruvesi is Kari Apell, project manager is Hanna-Leena Tela and development manager is Kyösti Kauppinen with 50 % contribution. This is our management team.*

**Yes. When these choices were made, did it affect that your hands were tied in some extent because of the term of notice security? Would you have perhaps otherwise acquired knowledge from the outside?**

*There was also the fact that people were transferred as existing employees and there was available the sales resources of Salmituote, Kehypaja and Teka-tuote. The foundation's board of directors decided to organize an internal open search which meant that the employees from these three communities were able to apply for these manager positions, excluding the CEO position, which was by the board of directors appointed and called directly without a separate application. The manager positions received altogether 16 applications, which indicate that there was interest towards these positions. We had a taskforce that included the chairman, vice chairman, and one member of the board and also the CEO which is me. We aligned and went through all these eligibility conditions for all the manager positions which mean the validity and applicability of all the applicants was revised. After that we aligned, who will be selected, and then I as a managing director of the foundation made the decisions in accordance with the rules of the foundation, that who will be selected to the manager positions. This was our selection process.*

**The purpose of that question was not to be suspicious that is there found know-how. The intention was to point out the fact that the learning out process is always much more difficult than learning new things.**

*It was displayed, that if there would not have been found suitable people from this internal search, the board of directors was thinking about the possibility of external recruitment. That possibility did exist.*

**Yes.**

## **9. Question**

**What would be the benefits of a partnership between social organizations for paying/subscribing customers?**

*Through partnership the subscriber will receive a clear vision that what are the services and what these workshops produce. For example, rehabilitative work / supported work activities through a partnership is similar in different locations. If you talk about the wage subsidy employment, we know right away, that what type of customer we are dealing with it and what kind of customers can be placed into these workshops, and in general what is a social employment. The products will be standardized. It is easier especially for the customer who does not necessarily know what they are buying.*

**Is there any weaknesses?**

*We are easily accused of creating a monopoly situation through and big and strong actor. But also needs to be seen in such a way that it can add value to the area. I don't see it purely as a disadvantage but rather a factor that turns into opportunity. It is good that there is a strong player who is able to provide services, which cannot be produced elsewhere in the region, not even in small counties.*

**What would be the benefits of partnership to the final customer?**

*For the customer the advantage is the possibility to move from service to another within the large organization, rather than going all the time from door to door. The personal*

*coach or the organization will take care of the customer and starts “pathing” that customer forward. The Foundation has a much bigger shoulders and halls were to do that coaching work, as well as there can be found different know-how and expertise in various situations. This is what the customer really needs.*

**Is there any weaknesses?**

*Maybe the disadvantage from the customer point of view is that they can no longer wriggle and wangle so easily.*

**10. Question**

**What kind of vision does your organization have as a socially responsible service provider?**

*Yes, it is very clearly focused, that we have a social responsibility of the client, as well as, of course, of the social employment. Yes, we bring to the game our know-how and at the same time the responsibility of development and employees is in our shoulders. Of course we listen to our subscribers and customers keen ear and the customer feedback is important to us. We don't do this work to ourselves, but for our customers. We give that strong know-how, the experience that we have accumulated over the years, as well as the "benchmarks" what is being sought from the world. With these factors we built the own model to the Upper Savo region and I believe that it will endure competition and comparison. And it's produced here, not by multi-national companies.*

**Do you have something to add, any questions or comments?**

*We have a strong belief in the future and we acknowledge that we are appreciated. In the future, we will be a strong player in the region, and we will be listened.*

**In the future all the social organizations will be part of the Foundation?**

*Foundation accepts challenges, but it is not the amount of organizations inside the foundations that makes it perfect. But in those cases, where we have the expertise, we are also told that out loud. We have a foundation, which has a strong self-esteem.*



**Thank you for the interview.**

*Kiitos.*

Duration: 28 min 30 seconds